

Herald Tribune

Published with The New York Times and The Washington Post

No. 28,024

PARIS, MONDAY, FEBRUARY 19, 1973

Established 1887

Nixon Bars Surcharge On Imports

No New Action In Dollar Crisis

KEY HISCAYNE, Fla., Feb. 18 (AP)—President Nixon plans no other immediate steps in the financial turmoil that has caused a 10 percent devaluation of the dollar, Presidential Press Secretary Ronald L. Ziegler said here yesterday.

Mr. Ziegler, speaking at the Florida White House, was replying to questions on a temporary 15 percent surcharge on imports, one of the measures urged on Friday by Rep. Wilbur D. Mills, D., Ark., the chairman of the House Ways and Means Committee.

Mr. Ziegler said that the devaluation last Monday was the best way "to deal with the trade deficit at this time" and that the administration felt it had greatly improved U.S. ability to compete in world markets.

Rep. Mills had proposed in a statement issued in Washington that the President impose a 15 percent surcharge on imports "until new and more liberal trade arrangements can be formalized with our trading partners abroad."

In other steps to strengthen the dollar and combat inflation, Rep. Mills proposed that the United States encourage foreign holders of dollars to make investments and asked that taxes on interest and dividend payments from such investments be suspended.

Rep. Mills said a surcharge would "induce the major participants in the international monetary system to work quickly for currency and trade reforms that should begin with a soon-to-be-held international monetary conference."

On the domestic front, Rep. Mills recommended that there be "structured savings" for individuals receiving tax refunds within the next few months.

Rep. Mills, who as chairman of the Ways and Means Committee is a powerful figure in the shaping of U.S. economic policy, said "not provide any details on the proposed savings-bond plan."

Common Market's representative for foreign relations, conferred with President Nixon and administration officials in Washington on Friday, and warned that the EEC would be reluctant to negotiate with the Nixon administration on trade matters if it had no mandate from Congress.

He was referring to a trade bill being assembled by the Nixon administration, Sir Christopher said he had the impression that the administration would try to push it through before negotiations with the nine-nation group began to the fall. President Nixon is reportedly seeking greater powers in trade matters in the bill.

"There will be considerable reluctance in Europe to start negotiations unless the U.S. government has a negotiating mandate," Sir Christopher said.

"From the European point of view," Sir Christopher said, "the important thing is that the trade bill should be a bill for liberalization of trade. Now it may have aspects which look less liberal, but the content must be liberal."

"There is no compensation due," he asserted in reply to the U.S. contention that the United States was due compensation because of the enlargement of the Common Market and for alleged losses deriving from it.

U.S. Says Algeria Shows Interest In Hijack Accord

WASHINGTON, Feb. 18 (UPI)—Algeria has approached the United States concerning an anti-hijacking agreement, the State Department said Friday.

Press officer Charles W. Bray said that the United States had advised the Algerian government that it was willing to receive proposals on the subject.

Mr. Bray said the assistant secretary of state for African affairs, David Newson, briefed the Algerian representative in Washington, Abdelkader Boussetlam, on the terms of the agreement that the U.S. and Cuba signed Thursday.

There have been no diplomatic relations between Algeria and the United States since the 1967 Arab-Israeli war. Mr. Boussetlam works as head of the Algerian interest section of the embassy in Guinea, which represents Algeria in Washington.

Administration officials obviously were pleased by Algeria's interest. "There have been two blackings of American planes in Algeria in the last year,"



CONTROL POINT—Three members of the International Commission of Control and Supervision of the Vietnam cease-fire seen conferring with an American officer (right) during prisoner release in the town of Can Tho, 100 miles southwest of Saigon. The ICCS members are a Hungarian at the left and two Indonesians in the center.

Small Battles Are Widespread

Vietnam Foes Ignore Truce Plea

By Sylvan Fox

SAIGON, Feb. 18 (NYP)—The recent upsurge in fighting showed no signs of abating today despite an urgent appeal by the Four-Party Joint Military Commission for an immediate end to hostilities.

A Saigon military spokesman said that there had been no significant change in the battle-field picture since the Military Commission, composed of the United States, North Vietnam, South Vietnam and the Viet Cong, issued its appeal yesterday.

The spokesman, Col. Le Trung Hien, blamed the Communists for the continued fighting.

Healthiest-Looking So Far

20 'Ecstatic' POWs Released Early, Arrive in Philippines

CLARK AIR FORCE BASE, Philippines, Feb. 18 (AP)—Twenty "ecstatic" servicemen arrived here from North Vietnamese prisons today, the healthiest-looking prisoners to return so far.

About 1,500 greeters lined the flight line and cheered as the jubilant men walked onto a red carpet from the C-141 Starlifter jet that brought them from Hanoi.

Their early return was the second POW release since the Vietnam cease-fire. It came ahead of schedule as a goodwill gesture by the North Vietnamese.

"We're mighty glad to be here. It's been a long time," said Comdr. James Glenn Pirie, 39, of Tuscaloosa, Ala. "Seeing the American flag over here helps description in my emotion."

Ranking Officer Comdr. Pirie, who was captured in 1967, was the ranking officer among the returned prisoners and made a brief arrival statement on their behalf.

"We're proud to be American. We're proud of our commander in chief, President Nixon, and we're proud of the American people who have supported us over the years," he said.

There was a last-minute switch on the roster, so that one prisoner was added because of family illness and another taken off the previously announced list.

Navy Lt. James Bailey of Keesau, Miss., was put on the flight in place of Navy Lt. Robert E. Wideman of Bay Village, Ohio. None of the 20 freed POWs was a stretcher patient.

"We're looking forward to seeing our families soon. We would like to thank you all for the welcome, which was beyond the expectation of any of us. Thank you very much," Comdr. Pirie added.

The crowd on hand to greet them was larger than the one that met the 143 who returned here last Monday. Greeters held scores of signs, ranging from "Jesus loves you" to "Welcome home James Glenn Pirie from the heart of Dixie, Alabama."

The sign addressed to Comdr. Pirie was held by Stella Peace of Soligant, Ala., who said she knew him in Tuscaloosa.

Children who lined the front rows of spectators cheered and chanted "Welcome home" as the men got off the plane and walked down the red carpet.

One man, overcome with emotion, buried his head in the shoulder of Vice-Adm. Damon W. Cooper, the commander of Task Force 77, who was on hand to greet them officially.

An officer who accompanied the

"There were still shelling attacks, ground attacks and penetrations into hamlets," Col. Hien said. "It seems that the Communist units have not tried at all to respect the appeal made by the Joint Military Commission."

Viet Cong and North Vietnamese members of the Joint Military Commission, who are sequestered by the Saigon authorities at Tan Son Nhut Air Base and barred from meeting with newsmen, could not be reached for comment.

The Saigon authorities warned newsmen yesterday that if they attempted to visit the commission's Communist members who have a "diplomatic" status

under the terms of the Paris peace agreement, they could be shot by military policemen at the air base.

In his denunciation of alleged Communist violations of the cease-fire, Col. Hien asserted that the Saigon forces had halted all armed flights by military aircraft since the Joint Military Commission issued its appeal yesterday noon.

During much of the three-week-old cease-fire, the South Vietnamese Air Force has been flying 100 to 200 tactical air sorties daily.

Such flights are forbidden by the protocol to the Paris peace accord but were defended by Saigon as "acts of self defense."

The Military Commission appeal called for an end to such flights as well as to all hostilities throughout South Vietnam.

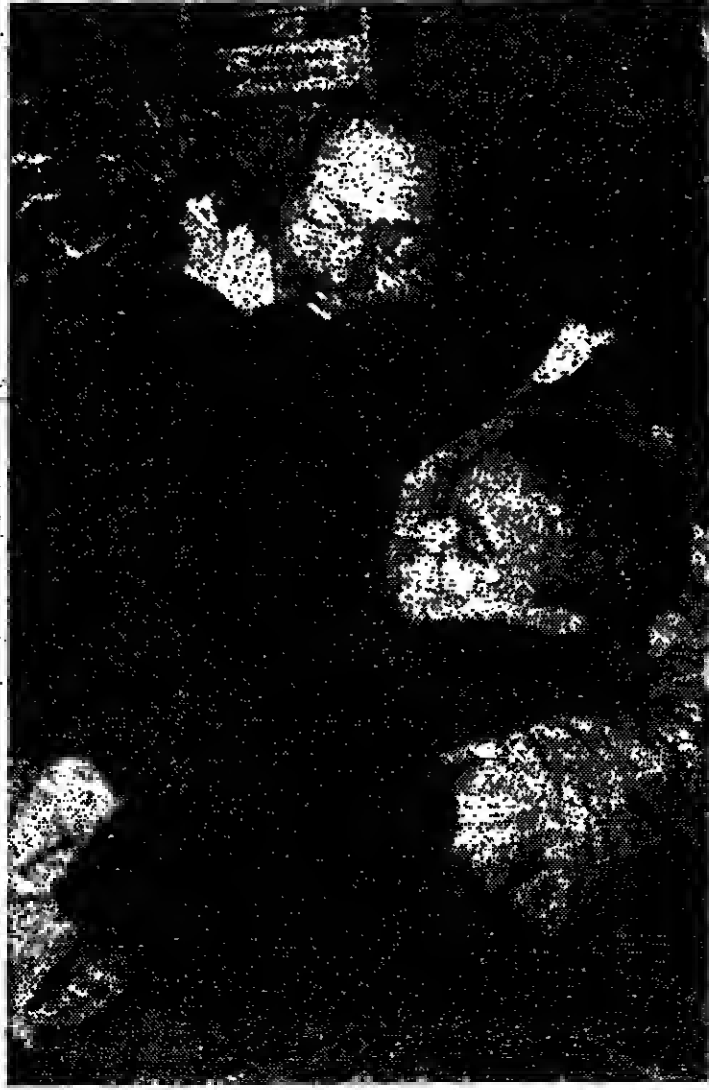
Both the Communist and the Saigon sides reportedly ordered their forces to comply with the commission's appeal, which was also broadcast by Saigon radio and by the Viet Cong radio.

Hanoi radio said yesterday that the Military Commission appeal had been agreed upon on Feb. 8. The broadcast described Lt. Gen. Tran Van Tra, chief of the Viet Cong delegation to the Military Commission, as demanding on Feb. 14 that the appeal "adopted at the Feb. 8 meeting" of the commission be issued immediately. There was no explanation for the delay in issuing it.

Col. Hien, the Saigon spokesman, also said that it was the Communist side that had pushed for the promulgation of the appeal. He said that the Communists "requested the issuance of a new command" ending the fighting because they had been unable to communicate adequately.

The POWs stepped off the two buses that brought them to the Hanoi airport as their names were called, checked through a reception area, then saluted the senior

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HOME COMING—Maj. Norman McDaniel, a former POW, met by wife Jean and son Randy at Andrews Air Force Base in Maryland. He had been held captive for 6 1/2 years.

Kissinger, Mao Talk 2 Hours; Diplomats See Breakthrough

Some Form Of Relations Predicted

PEKING, Feb. 18 (Reuters)—Western diplomats said here today that there had apparently been a major breakthrough in Sino-American relations during U.S. special envoy Henry A. Kissinger's visit, which was crowned last night by a long meeting with Chairman Mao Tse-tung.

The diplomats expressed surprise and excitement over the almost two-hour meeting and said it must herald a new era in relations between China and the United States.

But a senior Chinese official, asked at a reception tonight about the possibility of a Chinese embassy opening in Washington before long, smiled and said, "It's too early to talk about that."

However, the diplomats said that there doubtless has been a major breakthrough during the Kissinger visit and that there is likely to be some form of official American presence in Peking before the end of this year.

Chinese lined up at newsstands tonight to buy the Communist party journal, the People's Daily, which showed front-page pictures of Chairman Mao, Mr. Kissinger and Premier Chou En-lai, all apparently in an extremely relaxed mood at Mr. Mao's home.

The pictures were taken at the chairman's single-story home within the red walls of Peking's Forbidden City.

Television viewers throughout China saw Chairman Mao and Mr. Kissinger exchange a long handshake, and sit chatting together in armchairs in a book-lined study. Mr. Kissinger was leaning toward the Chinese leader, who was talking and gesturing.

The People's Daily front page had the banner headline "Chairman Mao Meets Dr. Kissinger," and the main picture showed a fit-looking Mr. Mao smiling and talking, his right hand raised and forefinger extended as if making a point.

A second picture showed Mr. Mao's study, with Premier Chou, Assistant Foreign Minister Wang Hui-jung, Chinese interpreters and Winston Lord, a member of Mr. Kissinger's staff.

"Frank, Wide-Ranging" The Chinese news agency said Mr. Mao and Mr. Kissinger had "a frank and wide-ranging conversation in an unconstrained atmosphere." It added that Chairman Mao asked Mr. Kissinger to convey his regards to President Nixon.

Diplomats said Mr. Mao's meeting with Mr. Kissinger was a surprise gesture, as the Chinese leader usually meets only visiting heads of state or government leaders of countries closely allied with China.

They said Mr. Kissinger's reception by Mr. Mao was a completely different thing from Mr. Mao's meeting with Mr. Nixon during the President's visit a year ago. "There was no reason of protocol why the chairman should see Dr. Kissinger," an envoy said. "It was completely unexpected."

Diplomats also said the meeting showed Chairman Mao is still playing an extremely active role in China's foreign policy.

It was the third straight day that Mr. Kissinger has appeared on the front page of the newspaper here, further reinforcing the importance of the visit in Chinese eyes.

In Key Biscayne, Fla., today the White House announced that Mr. Kissinger held talks lasting five hours today with Premier Chou, making a total of more than 20 hours of talks with Chinese leaders, including the two hours yesterday with Mr. Mao, since Mr. Kissinger arrived in the Chinese capital on Thursday after visiting Hanoi.

Presidential spokesman Ronald Ziegler said the U.S. officials were guests of honor at a banquet tonight given by Foreign Minister Chi Peng-fei at Peking's Great Hall of the People.

He said the morning meeting also was attended by the foreign minister and his deputy, Chiao Kuan-hua.

Asked about the progress of the talks, Mr. Ziegler said he had nothing to report beyond what was said yesterday after Mr. Kissinger's talks with Chairman Mao.

The White House described these as frank and wide-ranging talks and conducted in an unrestrained atmosphere.

Mr. Ziegler said Mr. Kissinger was expected to leave Peking tomorrow morning for Tokyo for talks with Japanese leaders.

He said Mr. Kissinger is due back in the United States on Tuesday.



MAKING A POINT—Chairman Mao Tse-tung having a frank discussion with presidential adviser Henry Kissinger in Peking on Saturday as Premier Chou En-lai stands by.

British Union Chiefs Reject Peace Plan, Repeat Threats

LONDON, Feb. 18 (AP)—Labor union chiefs yesterday brushed aside a government plan to avert a nationwide strike and instead organized a rally to ram home their threats of disruptions throughout Britain.

The peace formula came from Employment Minister Maurice Macmillan as five big unions mobilized their members for widespread stoppages to protest the government's anti-inflation wage curbs.

Strikes and slowdowns in the gas industry already are under way. Rail workers, hospital auxiliaries, civil servants and teachers are scheduled to "work to rule"—a slowdown—in the next week. Several thousand auto workers have refused to work overtime.

Mr. Macmillan offered immediately to activate the Conservative government's projected Pay Board, which will arbitrate wage claims as part of the anti-inflation program, without waiting for parliamentary authorization, which is still five weeks away.

Activating the Pay Board now would speed up reviews of the claims but would not guarantee that the unions would get the better increases they want.

Union bosses shrugged off Mr. Macmillan's offer or were skeptical about its value. The government has restricted pay increases to only £1-£2.40-plus 4 percent of basic wages.

The British Gas Corp., meanwhile, made a special plea to housewives to avoid the noon to 2 p.m. Sunday cooking rush.

With gas pressures cut in homes throughout Britain, the corporation already has pleaded with housewives to forget their ovens and grills and work on single-burner meals.

Former Prime Minister Harold Wilson jumped into the wage-cut battle yesterday, at a political meeting in North London. He delivered a foreboding attack on Prime Minister Edward Heath and his campaign to beat inflation by holding down wage claims.

"It is a fact that he is increasingly living in his own little fantasy world, his increasing recourse to irrational actions, and his deliberate contempt of Parliament—these are what constitute the danger to democracy," Mr. Wilson said.

Prize-Winning Prisoner-Poet Freed by Italian President

PADOVA, Italy, Feb. 18 (UPI)—Alfredo Bonazzi, 44, the convicted poet who taught himself to read and write in jail and won more than a dozen literary awards, walked to freedom today, pardoned by President Giovanni Leone.

He was released after serving half of a 24-year prison sentence he was given in 1960 for killing a tobacco merchant who exploited Bonazzi robbing his shop in Milan.

Bonazzi was met outside the prison gates by his father, Giovanni, and his future father-in-law, Giovanni Mocellini.

The poet began learning to read and write and studied books during his early years in prison and later turned to writing poems. After one of his early awards, he told a group of journalists:

"Before [entering prison] I had had no chance to go to school and I had devoted myself to monotony to a single activity—stealing. Study gave me a glimpse of values of which I had not known the existence."

His first poem, published in a prison newspaper, began:

"You couldn't and you shouldn't have sentenced me."

In the name of the Italian people

"Who knew nothing about me."

In 1970, Bonazzi's sentence was reduced by five years because he saved the life of a prison guard during an escape attempt.

At that time, a group of writers started a campaign to try to get Bonazzi freed from prison. However, he said he was not ready for life outside.

"I still don't feel psychologically prepared to live as a free man," Bonazzi said at the time. "I have so many fears, or perhaps I am not sure I have paid my debt to society to the right extent."

Won King Prize

Bonazzi accumulated Italian literary prizes from Milan to Florence to Reggio Calabria for his poems on justice and life. He also received an international award named after slain U.S. civil-rights leader, Martin Luther King Jr.

One of his most recent awards was the 1971 St. Valentine Prize for a love poem.

Through correspondence from prison, Bonazzi became engaged to Laura Mocellini, 29, and he began to write more and more love poems.

Aide to Sadat To See Nixon In U.S. Friday

CAIRO, Feb. 18 (AP)—Haies Ismail, President Anwar Sadat's adviser for national security affairs, will go to Washington Friday for high-level talks on the Middle East, it was announced here today.

The official Middle East News Agency said the visit will be undertaken within an Egyptian diplomatic move to "place the five big powers before their responsibilities toward peace and security."

The visit was fixed after Egypt "agreed to U.S. Secretary of State William P. Rogers's recent line on the importance of a visit to Washington by a responsible Egyptian official for high-level talks."

In Washington, Mr. Ismail will hold talks with President Nixon and Mr. Rogers.

Diplomatic sources said Egypt has told the United States, in recent direct contacts and through third parties, that it would be willing to give serious consideration to a new U.S. Middle East peace initiative, provided it was in accordance with United Nations resolutions.

Saw French, Chinese

Mr. Ismail, who arrived in London today to meet with Prime Minister Edward Heath and Foreign Secretary Sir Alec Douglas-Home, received the French and Chinese ambassadors to Cairo earlier in the day.

The agency said a responsible Egyptian official will also visit Paris following the French legislative election March 11.

Foreign Minister Mohamed Hassan el-Zayyat, meanwhile, will visit India and several other Asian countries next month for the same purpose, the agency reported.

[The New York Times reported today that Mr. Zayyat will go to Peking later this month as part of the worldwide diplomatic campaign by Egypt.

Mr. Zayyat's visit to Peking will be a substitute for a Ceko visit by the Chinese foreign minister, Chi Peng-fei, who was due here this month but informed the Egyptians that his trip had to be postponed because the situation in Vietnam required his full attention, informed sources said.

Mr. Zayyat will also stop in India to confer with leaders there.

The agency said the Egyptian government, meanwhile, will proceed with its plans to prepare the nation and the armed forces for the battle of liberation against Israel.

Mr. Ismail said before his departure that he was carrying Egypt's word to all countries in the world.

"The word is 'no' to any aggression or occupation of any Arab territory and to all that affects Egyptian sovereignty," he added.

Qadhafi Leaves Algeria

CONSTANTINE, Algeria, Feb. 18 (UPI)—Col. Moamer Qadhafi, president of Libya, went home today after talks with Algerian President Houari Boumedienne.

Bonn Increases Taxes, Limits Budget to Combat Inflation

BONN, Feb. 18 (Reuters).—The government today announced a surprise package of tax increases and other measures to cut down purchasing power in an effort to check the booming economy and hold down prices.

Motorists were hit hardest with a gasoline price increase of five pfennigs a liter, adding 7 to 9 percent to their fuel bills.

An additional 10 percent surtax will be levied on West Germans with top incomes, numbering about 150,000 people, and on companies for one year. Finance Minister Helmut Schmidt and Economics Minister Hans Friedrichs told a news conference.

Persons earning more than 100,000 marks and couples with incomes of more than 200,000 marks will be affected by this measure, which is expected to raise 2.4 billion marks a year, the ministers said.

Lower-paid workers were spared in view of the moderate wage increases the labor unions have accepted so far this year.

The government thus tacitly acknowledged that a further tax on lower-income earners probably would provoke serious industrial unrest, with workers going on strike for additional wage rises to compensate for higher taxes.

The government will also issue a "stability loan" on the capital market in 1973 amounting to 4 billion marks, Mr. Schmidt said.

By getting West Germans to lock away this money, which the government will be barred from spending, Mr. Schmidt hopes to leave people less money to spend, thus cutting the demand for goods and services. This is also expected to help check the rise in prices.

Price Rise Goal
As a result of these measures, the government hopes to limit consumer price rises in 1973 to 5.5 to 6 percent, about the same rate of inflation that West Germany recorded last year, the ministers said.

With prices currently rising faster than this rate, the government is hoping that at least the second half of this year will bring some relief, leading to greater price stability in 1974.

In a move to cool off the overheated building industry, the government also cut down the tax relief granted on construction of houses and apartment buildings. In this way, the government hopes to reduce the excessive speculation in bricks and mortar that has mainly hit low-income earners.

Interest on Loans
The government also took a significant step toward making West Germany's tax system fairer for the less well-off, while at the same time filling a sizeable gap in its 1973 budget.

In the future, the interest payments on bank loans, whether

for homes, furniture or cars, will not be tax-deductible, Mr. Schmidt announced.

Up to now, only the better-off, who paid higher taxes and who could afford to buy cars or houses, benefited from this form of tax relief.

Despite all the measures to hold down the threatening inflationary boom, the government forecasts strong economic growth this year of 4 to 5 percent, nearly double last year's increase. Unemployment is expected to rise no higher than the present negligible level of about 1 percent.

Budget Details

The finance minister also disclosed details of the 1973 federal budget, which aims to keep the rise in government spending down to less than 10 percent compared with last year.

By raising government spending by less than the growth in the economy as a whole—gross national product is expected to rise by 10.5 percent in nominal terms—the government is further aiming to reduce the demand for goods and services which can push up prices.

Political observers here saw the measures decided by the cabinet in two days of intensive debate as a victory for the Social Democrats over the Free Democrats in the government coalition.

The Free Democrats, traditionally the party of free enterprise and the small businessman, favor minimum government intervention and low taxes.

French Leader Sees New Vote If Leftists Win March Ballot

PARIS, Feb. 18 (AP).—French Prime Minister Pierre Messmer has given the strongest warning yet that Georges Pompidou will not appoint a leftist government if the Socialist-Communist united front gains a majority in next month's legislative elections.

He indicated, in an interview with the French news agency Agence France-Presse yesterday, that Mr. Pompidou could call new legislative or presidential elections.

Mr. Messmer said that the leftist electoral program included a complete change in presidential powers as laid down in the constitution of the Fifth French Republic instituted by Gen. Charles de Gaulle.

The left, he said, would remove the president from his role of head of the executive and reduce him to simply naming a government which emerged "from deals between the political parties."

"They do not recognize that the presidential election by universal suffrage is the principal act of [French] political life," Mr. Messmer said.

He was asked what would happen if Mr. Pompidou named a minority government and it was defeated on a leftist confidence motion in parliament.

"What would happen would be simple," Mr. Messmer replied. "The president would appear then between the two elements of power which are the president and the National Assembly would have to be brought before the French people. Universal suffrage and that alone would solve the problem."

"Universal suffrage" could cover new legislative or presidential elections or a referendum asking the French people, for example, to again ratify the constitution and thus confirm the powers of the president.

Mr. Messmer said that Mr. Pompidou "was elected to defend certain principles, to allow France to attain certain objectives, to insure that certain essential options were carried through."

"As [Mr. Pompidou] said himself, to approve a government which led to an opposite policy to his own would be to renounce the mandate he received from the people."

Mr. Pompidou said in a recent television interview that he could not preside over a government which opposed his policies.

The national elections will be held in two rounds of voting March 4 and 11.

Meanwhile, speaking at Chateaufort, Communist party Secretary-General Georges Marchais said today:

"We can't see why it would be necessary to force Frenchmen to express themselves a second time when the results undoubtedly would only confirm and reinforce the first."

"Whatever consequence Pompidou sees for himself in the election of a leftist majority, one thing counts: the desires democratically expressed by universal suffrage will have to be respected."

"This is what legality and democracy demand," he said. "and you trust us Communists to keep watch so that democracy and legality are respected."

Russians Move Lunokhod-2 Out Of Landing Area
MOSCOW, Feb. 18 (UPI).—The Lunokhod-2 moon robot, making its longest trek so far, has moved from its Sea of Serenity landing site south to the "mainland."

The eight-wheeled buggy made the 1.5-mile journey Friday night, at the command of ground controllers, after a recharge of its solar batteries.

"The scientists and engineers involved in the experiment decided to move the buggy to the nearby mainland in order to explore in detail the zone of the continental ascent before the end of the current lunar day," Tass said.

The lunar day, which began Feb. 8, lasts for two weeks. It will be followed by a two-week lunar night, the second experienced by the robot, during which the Lunokhod will go into mechanical hibernation to protect itself from extreme cold.

U.S. Aide Said To Tell Thais Of Lao Peace

Signing Is Seen Soon, Problem on Cambodia

BANGKOK, Feb. 18 (AP).—William R. Sullivan, deputy assistant secretary of state for East Asian and Pacific affairs, told Thai leaders yesterday that a peace settlement in Laos will be signed soon. Vice-Foreign Minister Chatchai Choonhavan told newsmen.

Mr. Chatchai, who attended an almost two-hour discussion between Mr. Sullivan and Premier Thanom Kittikachorn, quoted Mr. Sullivan as saying, "There is no problem for a peace agreement in the Kingdom of Laos."

Mr. Sullivan, former U.S. ambassador to Laos, arrived in Bangkok Friday from Vientiane and consulted with U.S. Ambassador to Thailand Leonard Unger before meeting with the Thai leaders.

Latest reports from the Laotian capital said private meetings were continuing between Laotian Premier Souvanna Phouma and Phoumi Vongvichit, secretary-general of the Neo Lao Hak Xat, the Pathet Lao's political arm.

Problems in Cambodia
Mr. Sullivan also told Field Marshal Kittikachorn there were still problems that made it impossible to reach a peace agreement in Cambodia, Mr. Chatchai reported.

Mr. Sullivan, who accompanied Henry A. Kissinger to Hanoi, told Field Marshal Kittikachorn that North Vietnamese leaders have expressed their willingness to negotiate with Thailand on the repatriation of about 50,000 North Vietnamese refugees now living in northeast Thailand.

About 90,000 refugees came to Thailand during the French-Vietnamese war in the 1950s. About 40,000 were repatriated to North Vietnam in the 1960s.

Mr. Sullivan told the Thai leaders that North Vietnam would be willing to negotiate on the refugees either through the United Nations or the International Red Cross.

Reds See Plot

HONG KONG, Feb. 18 (Reuters).—The Pathet Lao yesterday accused the United States and the Vietnamese administration of plotting to obstruct peaceful settlement of the Laos war through intensified military attacks, including saturation bombing.

The charge by the Pathet Lao news agency was issued during peace talks in Vientiane between the royal Laotian government and the Pathet Lao.

Since Feb. 12, U.S. planes "have flown hundreds of sorties a day to carpet-bomb many parts of the liberated zone" in Laos, the agency said in a broadcast monitored here.

"Along with these saturation bombings, the U.S. imperialists and their henchmen have intensified ground attacks against the liberated zone, hoping to win a 'position of strength' for negotiations," the agency said.

Thieu Forms Body to Oppose Viet Cong's Political Group

By Henry Kamm

SAIGON, Feb. 18 (NTV).—The Saigon government announced yesterday the formation of a national political body to oppose the Viet Cong's National Liberation Front in the political struggle ahead.

The new organization came into being at a meeting yesterday morning under the chairmanship of President Nguyen Van Thieu at the presidential palace.

A government spokesman, Phan Duong Van, stressed in an announcement that the opposition to Mr. Thieu was represented at the founding meeting and joined in unanimous approval of the new body, but a number of opposition legislators made known in private conversations their unwillingness to participate and their disbelief in the political universality of the new group.

Mr. Hien said, in reply to questions, that Mr. Thieu had no intention at present of asking two principal opposition figures, Maj. Gen. Duong Van "Big Minh" and former Vice-President Nguyen Cao Ky, to join.

Snapped Sought
Former Premier Phan Huy Quat appeared to represent the views of the majority of Vietnamese political observers when he said in an interview that he believed Mr. Thieu felt the need to broaden the base of his support or at least to create the impression of having broad support.

Mr. Quat said he and others among the approximately 300 participants had attended in the hope that, in the search for support, the president might have been prepared to make some concessions to those who shared his nationalist and anti-Communist feelings but not his conception of governing South Vietnam.

Mr. Quat said some speakers called on the president to loosen governmental restrictions on the activities of political parties and the press but received no assurances from Mr. Thieu.

The new organization has been named the People's Front to Realize the People's Right to Self-Determination.

Mr. Thieu indicated in his remarks, according to participants at the meeting, that the front would play a role in the national elections that are called for in the Paris cease-fire agreement and in choosing the government members of the National Council of National Reconciliation and Concord that is to be established by government, Viet Cong and "neutralist" factions.

Amnesty Meeting Banned in Paris As Public Threat
PARIS, Feb. 18 (Reuters).—The French government has banned an international conference planned for Tuesday to discuss an amnesty for U.S. armed forces deserters and draft evaders, it was learned today.

One of the organizers of the conference, Michael D. Linn, of New York, said detectives told him yesterday that the conference had been banned as a threat to public order.

It would also create a bad atmosphere for the international conference on Vietnam, which opens here Feb. 28, they had said.

Mr. Linn said the conference was banned "despite the fact we would have been out of town several days before the Vietnam meeting starts."

The conference was being organized by two American exile organizations, "Up From Exile" based in Sweden, and "Am-Ex-Cam," and "Safe Return," a New York-based committee working for universal unconditional amnesty.



FIRST PILOT CAPTURED—Navy Lt. Comdr. Everett Alvarez smiling at welcoming crowd at Travis Air Force Base in California Friday. He was captured in August, 1964.

Longest-Held POW Returns —With Praise for Miniskirt

TRAVIS AIR FORCE BASE, Calif., Feb. 18 (UPI).—Lt. Comdr. Everett Alvarez, the longest-held American POW in North Vietnam, returned home Friday with words of thanks for his countrymen and an appreciation of some changes made in the last 8 1/2 years—"the miniskirt for one thing."

Comdr. Alvarez, 35, of Santa Clara, Calif., was the first man to leave the fifth "freedom flight" to reach the United States—a break in military protocol, honoring his long ordeal. The senior officer aboard should have stepped off first.

During the 3,115 days he was in a Hanoi prison camp, Comdr. Alvarez's wife left him, remarried and gave birth to a daughter, and the pilot's sister became an anti-war activist.

The sister, Della, 30, and other family members did not travel to Travis but held their reunion 35 miles away at Oak Knoll Naval Hospital in Oakland.

Met at Hospital
His mother, Mrs. Soledad Alvarez, and sisters Della and Madeleine, 21, watched from a hospital window as Comdr. Alvarez arrived at Oak Knoll to the cheers of about 100 persons, including half a dozen Mexican-Americans carrying a sign reading "Bien Vuelto" (welcome).

Comdr. Alvarez said he felt "pretty good, but the doctors are going to take a good look at me." He half ran, half walked down the ramp from the plane to the

red carpet spread for the returning prisoner, snarled changed salutes with two Air Force generals, then shook hands and received an affectionate pat on the elbow from Maj. Gen. John Gung, the commander of this northern California base.

Comdr. Alvarez, looking fit but with a somewhat jaundiced complexion, spoke to a cheering crowd of 300 welcomees in a husky, steady voice, saying the dreams of years in prison had come true.

"For years and years, we dreamed of this day and we kept the faith—faith in God, faith in our President and faith in our country . . . It was this faith that maintained our hope that someday our dreams would come true—and today they have."

"We have come home," said Comdr. Alvarez, looking intently into the microphones before him. "For this, God bless the President, and God bless you, Mr. and Mrs. Alvarez, you have not forgotten us."

20 'Ecstatic' POWs Released Early, Arrive in Philippines
(Continued from Page 1)

U.S. officer present and were escorted to the C-141.

Another information officer in Hanoi to pick up the prisoners said the men accompanied their salutes with the phrase:

"Reporting for duty, sir."

Col. Abel said, "They were reserved while they approached the aircraft, but once they got on board there were hugs, handshakes and they slapped each other on the back."

The men cheered when told the plane had passed over the coast of North Vietnam, he said.

The plane carried what Col. Abel called a "halcyon bag" of candy, chewing gum and cigarettes, and fruit juices were served along with coffee.

All the POWs freed today were Navy and Air Force flyers captured in 1966 and 1967. They bring to 163 the number of Americans freed in North and South Vietnam since the cease-fire agreement was signed in Paris on Jan. 27.

The Communists are still holding 497 U.S. servicemen and 31 American civilians in South and North Vietnam and Laos. They are to be released in three more groups, the last of which is to be out by March 28.

USAF Discharges Two Pilots Who Refused Missions
WASHINGTON, Feb. 18 (UPI).—The Air Force said Friday that it has discharged two pilots who refused to fly bombing missions over North Vietnam in December. Both initially faced court-martial charges for disobeying a direct order.

Capt. Michael J. Heck, 30, of Chula Vista, Calif., a B-52 pilot and a veteran of 175 missions, was discharged under "other than honorable conditions" at Barksdale Air Force Base, La., Thursday, a spokesman said.

He said Capt. Dwight J. Evans, an F-4 Phantom jet pilot, also was discharged Thursday. He refused to say what type of discharge Capt. Evans received.

Capt. Heck was accused of refusing to fly a B-52 mission Dec. 27. Capt. Evans was charged with refusing to fly his F-4 on Dec. 18, the first day of renewed bombing raids on North Vietnam.

U.S. Asks Peace-Keeping Unit To Probe Downing of Copter

By Joseph B. Treaster

SAIGON, Feb. 18 (NTV).—The head of the American delegation to the Four-Party Joint Military Commission today requested that the International Commission of Control and Supervision launch an investigation into an incident last week in which an American helicopter was shot down and five crewmen were injured.

The aircraft, a heavy CH-47 with twin rotors, was carrying supplies for the Military Commission, which comprises delegates from North and South Vietnam and the Provisional Revolutionary Government, or Viet Cong, as well as the United States.

Maj. Gen. Gilbert H. Woodward, the head of the delegation, said he had asked earlier for an investigation by the Military Commission but that so far the Provisional Revolutionary Government of South Vietnam had failed to participate.

Letter to ICCS
In a letter to Michel Gauthier, the chairman of the Canadian delegation to the ICCS and the acting chairman of the supervisory commission, Gen. Woodward said that a preliminary investigation by "U.S. experts" indicated that the Viet Cong was "directly responsible" for the crash of the helicopter Friday south of An Loc.

Although Gen. Woodward did not say so in his letter, other American officials have said that the helicopter that was shot down had not been painted with the bright orange stripes that identify aircraft assigned to the commission.

South Vietnamese military officers said at the time of the incident that it was clear the aircraft had been brought down by Viet Cong or North Vietnamese soldiers.

"We haven't started shooting down American helicopters yet," one officer said.

Reports of Fighting
American officials said it was very likely that the troops on the ground had simply taken the helicopter for a government aircraft flying supplies to South Vietnamese troops and had considered it fair game in the much-violated cease-fire.

A government spokesman in Saigon said that there had been at least two reports of fighting in the vicinity of An Loc before the helicopter was shot down.

Gen. Woodward told Mr. Gauthier that the leader of the Viet Cong in Saigon had said that they did not have sufficient men in the field to "permit them to participate with other members"

of the military commission in an investigation.

The general said that the Viet Cong had indicated that personnel from their central delegation in Saigon would be designated to participate. But by this evening, no action had yet been taken by the Viet Cong.

Truce Appeal Is Ignored by Vietnam Foes
(Continued from Page 1)

quately with their forces in order to instruct them to cease firing.

According to the Hanoi radio account, the Communists sought the Military Commission appeal because "the Saigon army is violating the cease-fire in serious, systematic and deliberate manner."

The broadcasts and the issuance of the orders did not seem to be having much effect on the combat situation around the country.

According to the government, the Communists have violated the cease-fire more than 3,700 times since it began on Jan. 28. The government alleges about 155 violations a day.

Salmon authorities reported today that in two clashes near Duc Pho in Quang Ngai Province in northern South Vietnam, 21 Communist soldiers were killed.

In the same area, according to the Saigon authorities, a series of clashes yesterday claimed 11 lives on the Communist side and six on the government side.

In another clash, at Duc Huu district town in Hau Nghia Province near Saigon, five Communist soldiers were killed and one government militiaman wounded last night, according to the Saigon authorities. Earlier in the day, Saigon reported, 30 Communist soldiers and three government soldiers were killed in clashes in the same area.

According to government figures, the cease-fire fighting has resulted in the deaths of 7,018 Communists and 1,218 government troops. The government says 5,888 of its men have been wounded and 913 are missing.

Widespread Attritions
American officials attribute the high casualties on both sides not so much to large-scale fighting as to what one called the "cumulative effect of small but wide spread actions."

During the last five days, American officials and some Western diplomats have expressed concern about the continued fighting which they say they had expected to end by now.

Meanwhile, the Saigon government said it was continuing to release Communist prisoners of war.

It said 982 more were ferried across the Thach Han River near the Demilitarized Zone to the Communist-held bank today. Col. Hien said that Saigon freed some 700 prisoners there yesterday.

According to the government, this brought the total of released Communist prisoners to 5,496. The government says it still holds about 19,000 Viet Cong and North Vietnamese prisoners.

Salmon says the Communists have thus far released 711 government soldiers from captivity. The government says 330 are scheduled to be released Tuesday.

Mr. Shultz said during a television interview program that the United States intends to push hard to reach agreement on proposals for reform by the time the annual meeting of the International Monetary Fund takes place in Nairobi in September.

An international meeting of finance ministers is planned next month to discuss reform.

Mr. Shultz said the United States has been more specific than many other countries in setting out its proposals for reform and added that the recent monetary crisis, which ended in a 10 percent dollar devaluation, emphasized the urgent need for a better money system.

He also defended President Nixon's decision to ask Congress for powers to raise trade barriers if necessary before going into worldwide negotiations on trade terms.

The United States envisages a more open and expanding world trading community, he said, but added that there would not be broad domestic support for this if it meant large losses of jobs in some sectors of the U.S. economy.

Germans Smash Two Drug Rings
HAMBURG, Feb. 18 (Reuters).—West German police said Friday they had smashed two narcotics rings in the last 24 hours. One shifted marijuana to West Germany from Ghana, the other smuggled consignments of the drug from Iran.

Half a ton of marijuana was seized, a police spokesman said. Police in Stuttgart said Friday that they had arrested a German and five foreigners alleged to have smuggled the drug from Ghana. Police said the ring-leader was a Ghanaian living in Stuttgart who described himself as a student.

Military sources today reported the loss of an American ammunition barge in a convoy. Ten of the 12 ships in the convoy reached Phnom Penh yesterday.

WEATHER

ALGARVE	12	54	Fair
AMSTERDAM	3	37	Rain
ANKARA	4	43	Rain
ATHENS	12	53	Cloudy
BEIRUT	10	66	Cloudy
BELGRADE	0	32	Snow
BERLIN	36	54	Rain
BUSSELS	3	27	Rain
BUDAPEST	4	28	Fair
CAIRO	21	70	Sunny
CASABLANCA	14	57	Cloudy
CHENNAI	2	36	Rain
COSTA DEL SOL	12	55	Fair
DUBLIN	7	45	Cloudy
EDINBURGH	6	43	Cloudy
FLORENCE	11	52	Cloudy
FRANKFURT	3	37	Cloudy
GENOVA	2	26	Cloudy
HELSINKI	2	34	Snow
ISTANBUL	7	46	Rain
LAS PALMAS	10	57	Cloudy
LISBON	12	54	Sunny
LONDON	6	42	Fair
MADRID	8	46	Fair
MILAN	4	45	Fair
MONTREAL	13	8	Cloudy
MOSCOW	0	32	Clear
NINJIC	32	59	Snow Flurries
NEW YORK	3	27	Sunny
NICE	12	54	Fair
OSLO	6	41	Cloudy
PARIS	5	41	Cloudy
PRAGUE	4	39	Cloudy
ROME	10	50	Cloudy
SOFIA	9	32	Cloudy
STOCKHOLM	2	34	Rain
TEL AVIV	20	68	Cloudy
TORONTO	13	35	Cloudy
VENICE	6	39	Cloudy
VIENNA	3	37	Fair
WARSAW	0	32	Snow
WASHINGTON	12	52	Sunny
ZURICH	0	32	Cloudy

(Weather readings: O.S., Canada at 1700 GMT; others at 1200 GMT.)

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Gray, Acting Director of FBI, Proposed as Permanent Head

By Richard D. Lyons

KEY BISCAYNE, Fla., Feb. 18 (NYT).—President Nixon nominated L. Patrick Gray 8d yesterday to be director of the Federal Bureau of Investigation in a move that could touch off another confrontation between the Senate and the White House.

Mr. Gray, who has been acting director of the bureau since the death of J. Edgar Hoover last May, is a long-time political ally of the President. Congressional critics of Mr. Gray have said that his nomination would be an example of "cronyism" in

what is supposed to be a non-partisan position.

Mr. Gray was nominated because he's the best man [the President] can find to head up the FBI, Ronald L. Ziegler, the White House press secretary, said at a news conference here.

Mr. Ziegler said that presidential aides had discussed the nomination with some members of Congress, adding, "the response has been favorable."

Possible Complications
The confirmation process may be complicated by concern over dossiers on congressional candidates compiled by the bureau under Mr. Hoover, questions arising from a bureau investigation of the bugging of Democratic headquarters and fears of possible politicizing of the bureau under Mr. Gray. The post has not previously been subject to confirmation by the Senate.

As acting director, Mr. Gray has been more open than had his predecessor in meeting with the public and the press. He has acted to move younger men up in the bureau, has relaxed longstanding restrictions on the mode of dress for agents and has opened the bureau's ranks to women.

Mr. Gray, 56, met Mr. Nixon at a Washington party in 1947 when Mr. Nixon was a freshman representative. Mr. Gray was then a student at the George Washington University Law School.

For 20 years, Mr. Gray was a naval officer, retiring as a captain in 1960. On retirement, he joined the personal staff of then Vice President Nixon, working on his presidential campaign in 1960 and in 1968.

Trust and Tax Work
Before his appointment as FBI director, Mr. Gray served as an executive assistant in the Department of Health, Education and Welfare and as an assistant attorney general. Mr. Gray also has practiced law in New Britain, Conn., specializing in trust and tax work.

According to congressional sources, one misgiving about his qualification for leadership of the bureau is that Mr. Gray has had relatively little experience in law enforcement.

"There are a couple of guys in the White House who do not think he's the man for the job," a source in the administration said. "Almost every weekend he goes up to his home in Stoughton, Conn., and some people think he spends too much time up there and goes around the country making too many speeches."

The source said that Attorney General Richard G. Kleindienst had been pressing hard for Mr. Gray's appointment, but that it had taken months of discussion in the White House for the nomination to be settled.

Ford Asks Easing Of Pollution Act To Save Industry

NEW YORK, Feb. 18 (NYT).—The Ford Motor Co., saying that the auto industry "has been backed to the cliff edge of desperation," has proposed a major weakening of the Federal Clean Air Act to avert "complete shutdown of the United States auto industry," and all that that means.

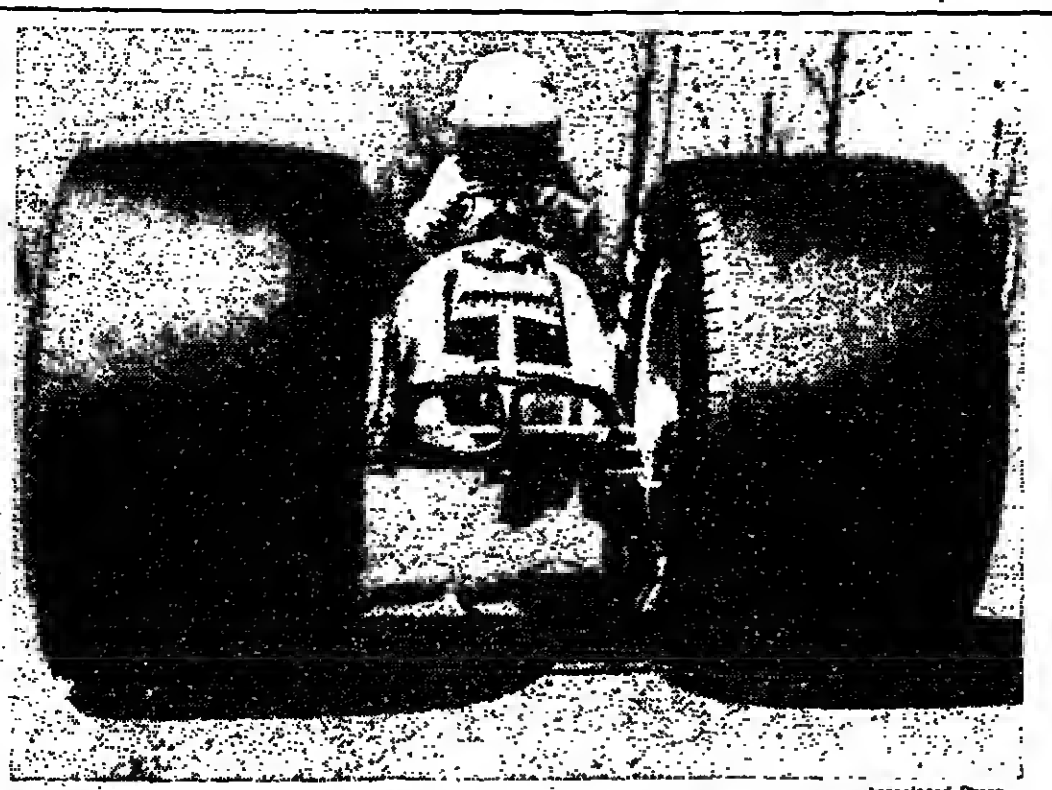
In what the company termed a "major address," Ford's president, Lee A. Iacocca, proposed a four-point plan last week to dilute the federal law.

Basically, Mr. Iacocca's program would suspend the strict requirements on car emissions set for 1975 and substitute less stringent ones that could be achieved with the existing technology while a testing program is undertaken in California to see if it is possible and worth the money to achieve stricter standards.

Mr. Iacocca said his proposal "offers the nation a rational, orderly, temperate and effective program for improving air quality in all of the 50 states with out unacceptable penalties to our national economy, our personal mobility, our industrial vitality or our government's credibility."

U.S. '72 Traffic Deaths Put at Record 56,300
CHICAGO, Feb. 18 (Reuters).—An estimated 56,300 persons died on the roads in the United States last year—the highest annual traffic death toll in U.S. history.

The National Safety Council, releasing the statistics yesterday, said the previous record was in 1969, when 56,000 persons were killed.



BIG WHEEL—Five-year-old driver in Akron, Ohio, strikes professional pose with high velocity tires attached to his toy pedal car. The big tires are actually made for speeds of 200 miles an hour. Extrawide, with virtually no tread for added traction, they weigh only 15 pounds apiece, about half that of a normal automobile tire.

Wants Funds to Come From Pentagon

Fulbright Backs Aid to Hanoi Through UN

WASHINGTON, Feb. 18 (AP).—Sen. J. William Fulbright, the chairman of the Senate Foreign Relations Committee, said today he would support President Nixon's proposal to rebuild North Vietnam if Mr. Nixon would agree to cut back on military spending abroad.

Sen. Fulbright said, however, that he would not support the proposal if the United States contributed the aid directly. He said he favored a multilateral approach in which the aid would be given to the United Nations for use in Vietnam.

"If the President is willing to retrench in other areas such as balance of payments, bases

abroad... I think a multilateral aid program could be passed in the Senate," the Arkansas Democrat said. "At least, I would favor it on those terms."

Sen. Fulbright, who spoke on a radio-television program, "Meet the Press," said he favored the multilateral approach because it would remove the American presence in Indochina and "allow them to settle their differences among themselves."

"Most Tragical War"
"My purpose is to disengage the nation from what in my opinion is the most disastrous and tragic war we've ever been in," he continued. "I do not think it's our responsibility to continue to dictate how this part of the world should be run."

Sen. Fulbright said he did not believe that the United States had made a commitment by agreeing to a section in the peace agreement that states that the United States will help rebuild North Vietnam.

"It is a view, a wish that he [Mr. Nixon] expressed," Sen. Fulbright said. "It is not a commitment by the United States. It is not a commitment in the eyes of the Senate until the obligation has been assumed by legislative and executive action."

Asked if he agreed with Mr. Nixon that the agreement brought peace with honor, Sen. Fulbright said he was happy with the pact.

"I am so pleased that he stopped the slaughter in Southeast Asia," he said. "I'm glad that it's over. There are many details that one might argue about, but the main thing is that it's over and the prisoners are coming back."

Cranston Agrees
Another critic of the Vietnam war, Sen. Alan Cranston, D., Calif., also took the position that reconstruction should be funded through cutbacks in military programs.

Sen. Cranston plans to say in a speech to the Senate tomorrow: "Since the destruction in Vietnam was caused by war funds, to reconstruct Vietnam should rightfully be considered part of the cost of war."

"Money to aid North and South Vietnam should therefore be taken out of the military budget, without weakening our essential defense."

The aid should also be contingent on release of funds not compounded for domestic programs, Sen. Cranston argues.

Natural Anti-Freeze Prevents Polar Fish From Freezing Up

By Charles Hillinger

DAVIS, Calif., Feb. 18.—Fish in the Antarctic are like cars in cold country. Both need anti-freeze to keep going.

It was only recently that scientists discovered the mysterious anti-freeze glycoprotein that enables fish to survive in sub-freezing Antarctic seas. The discovery has a myriad of implications in the medical field, in space science, in many facets of life.

"Temperature is one of the most critical parameters for living organisms," Robert E. Feeney, a University of California polar scientist, said. "Man dies of fever. Man dies of extreme cold."

Mr. Feeney, 59, is the principal scientist for a National Institute of Health research study at the University of California at Davis on the physics and chemistry of glycoprotein.

Fish Collected
The biochemist has made half a dozen trips to the Antarctic under the sponsorship of the National Science Foundation. He has collected polar fish and isolated and extracted the anti-freeze.

"Nothing like this pure white material has ever been found in any other living thing before," Mr. Feeney said.

"Hopefully, the discovery will add to our fundamental knowledge of the change of water to ice. There are still a great many unknowns about this seemingly relatively simple phenomenon. From water to ice is a change from a somewhat random liquid state to a highly organized solid state."

"Somehow this anti-freeze in polar fish lowers the temperature at which this normally happens. Yet it does not do it the same way salt or alcohol or Prestone does it."

Prof. Per Scholander at Scripps Institution of Oceanography advanced the idea 10 years ago that an anti-freeze material was present in polar fish.

Research on the anti-freeze was first initiated by Prof. D.

Wohlshlag and Arthur L. DeVries at Stanford University.

"Scholander was certain there had to be something radically different about the fish in polar seas," Mr. Feeney said. "Fish are cold-blooded. They take the temperature of the water in which they live."

"No normal fish could live in the waters of the Antarctic, where temperatures of the sea are a constant, year-round 29 degrees, three degrees below freezing. All other fish would freeze to death in the water."

Mr. Feeney said he and other scientists interested in polar fish were working with half a dozen different species, all named after polar explorers.

"Some of the fish are 7 to 8 inches long, others 5 feet in length, weighing over 100 pounds," the biochemist said.

"Polar fish are distant cousins of common ocean fish. They're good eating. Taste like salmon."

Mr. Feeney said the Russians also were doing considerable research on polar fish.

"We've tried to find out what the Russians know about the fish, but communications are not always the best," he said. "We're not quite sure if they know as much as we do or more."

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FAO Aide to Far East
ROME, Feb. 18 (AP).—Addeke H. Boerma, director-general of the U.N. Food and Agriculture Organization, left Rome today for a 17-day visit to China and Japan. He will discuss the possible resumption of Chinese membership in FAO and possible Japanese aid to world food projects.

Senate Unit Issues Report

Anti-Marcos Plot Detailed in U.S.

By John W. Finney

WASHINGTON, Feb. 18 (NYT).—President Ferdinand R. Marcos of the Philippines believes that last fall, shortly before he imposed martial law, he was the target of a rightist assassination plot involving a hired killer from the United States, according to information supplied to the Senate Foreign Relations Committee.

As described in a document given to the committee by a Philippine government official, key figures in the plot were Vice-President Fernando Lopez and Sergio Osmena Jr., President Marcos's opponent in the 1969 presidential election. The reported objective of the plotters was to overthrow the Marcos government, and, to carry out the killing, they were said to have brought in a "hit man" associated with various criminal groups in the United States.

One plan reportedly worked out by the professional killer, who was arrested by the Philippine police, was to shoot Mr. Marcos from the back of a soundproofed Volkswagen truck while the president was playing golf. Alternatively, he reportedly planned to blow up a boat landing used by the president.

On Inspection Trip
The bizarre story was recounted in a Senate Foreign Relations Committee staff report made public yesterday. The report was prepared by James C. Lowenstein and Richard M. Moore, two committee staff members who in November made an inspection trip to the Philippines and South Korea.

While there have been cryptic references by the Philippine government to the assassination plan, particularly after the arrest of the alleged plot, the report represents the first time that the alleged plot has been spelled out in detail.

While they were in Manila, the two committee staff members said, a high Philippine government official told them that the reason President Marcos had declared martial law was that he had uncovered a plot from the right to assassinate him and that the key figures "were Vice-President Lopez and Mr. Osmena." The official also said that "three Americans were involved in the plot."

"Web of Plots"
To support the charges, the official, who was not identified, arranged for a document to be given to the two staff members describing "a web of plots against the Marcos government, including a 'rightist revolution and coup d'état.' As summarized in the report, the document gave the following details of the rightist plot:

Shortly after the 1969 election, a group composed mostly of retired colonels and generals organized a revolutionary junta with the aim of first discrediting President Marcos and then killing him. The group was headed by Eleuterio Adebo, an official of the opposition Liberal party.

Mr. Adebo informed the junta at one meeting that he, Mr. Osmena and "someone in the United States Embassy staff" had conferred about the takeover plans and then at a subsequent meeting said "Washington authorities had been briefed and they showed great interest in the junta movement."

Part of the takeover plan was to designate Vice-President Lopez as a caretaker president during the transition period and this was approved by Mr. Osmena and "apparently by the Liberal party and their alleged American supporters, particularly by Larry Tractman and Company."

According to records of the FBI, which maintains an office in Manila, Tractman had been convicted of smuggling and conspiracy in the United States in 1960 and had been a controversial figure in Philippine politics, closely associated with Mr. Osmena.

On June 20, 1972, Tractman and a second American, Robert Pincus, brought a third American, August McCormick Lehman, to Manila, the report continued. Tractman introduced Lehman to Mr. Osmena as a professional killer.

Lehman adapted a Volkswagen van, making it soundproof and arranging it so that a sniper could fire a rifle through a hole in the back covered with a World Health Organization insignia. The truck was to be parked near the Pasig River so that President Marcos could be shot while on a golf course.

According to the report, Lehman also ordered an oxygen tank to be used by scuba divers to plant bombs to blow up the presidential boat landing. He set up a booby trap with a mine to protect a room where his firearms were stored.

On Sept. 30, a week after martial law was proclaimed, the "legal attaché" of the American Embassy informed Philippine security officers that Lehman had been arrested in Kansas City, Mo., on Oct. 16, 1971, for carrying a concealed weapon, that he was known to have been associated with criminals in New York, New Jersey and Tennessee, and that on or about June 17 he had left New York to "make a hit" on an unknown person, possibly abroad.

Also according to FBI records, the report continued, Pincus said that he knew Lehman was a "hit man" for a union in Tennessee and had "hit" several persons. Pincus, who was not further identified, told the FBI on his return to the United States that Lehman had agreed to pay him \$5,000 a month plus expenses, but

that he had left the Philippines after receiving a threatening call in his Manila hotel room.

Lehman Held
Philippine authorities announced on Nov. 15 that they were holding Lehman and that he had confessed.

Vice-President Lopez, a member of a wealthy family owning a major electrical utility seized by the Marcos government, is still in Manila. Mr. Osmena is reported to be in hiding in the United States.

The staff report said the "high" Philippine official explained that there had been no public mention of the plot in Manila because the conspiracy extended into the highest circles of the government and the military and disclosure would undermine public confidence in the military at a time when such confidence was essential.

The staff report does not vouch for the accuracy of the account of the reported plot.

Zambia Requests U.S. Help To End Reliance on Rhodesia

By David B. Ottaway

WASHINGTON, Feb. 18 (WP).—Landed Zambia has asked the United States for aid in ending its dependency on Rhodesia to export copper.

The State Department already has told the Zambian government that no government aid is available. However, it is helping to arrange for Zambia to purchase needed transportation equipment from U.S. companies and has indicated that the Export-Import Bank may help to finance the deal.

The department is trying to play down its rejection of the Zambian request, apparently fearing that, were it to refuse to aid Zambia, it would spark further criticism of U.S. policy toward Rhodesia.

The United States is the only major power which has publicly disavowed United Nations economic sanctions against Rhodesia for its unilateral declaration of independence from Britain in 1965. Last year, Congress voted to allow the importation of Rhodesian chrome and iron, sharply criticized in Africa, and by black American leaders, for breaking the UN sanctions.

Zambia has not made public its request for aid because it feels that the Nixon administration is favorable to Rhodesia and that publicity will only hurt its chances of obtaining aid.

Needs Listed
But it has given the State Department a list of equipment it now needs to reroute the 20,000 to 30,000 tons of copper that formerly were transported each month through Rhodesia by train to the Mozambique port of Beira.

The Zambian request for aid followed the Rhodesian government's decision Jan. 9 to close its 400-mile border with Zambia in reprisal for alleged incursions by African nationalist guerrillas from Zambian territory.

Rhodesia reopened its border Feb. 18 after a three-day closure.

IN Mission Arrives
NAIROBI, Kenya, Feb. 18 (Reuters).—The UN Security Council mission, which is studying the Rhodesia-Zambia border crisis, arrived here today.

The mission, which already has visited Zambia and Tanzania, is expected to meet senior Kenyan government officials and inspect the port of Mombasa during the next three days.

In Dar es Salaam earlier today, a spokesman for the mission said that, while it was in Zambia, officials there had emphasized that the Zambian decision to use outlets to the sea that did not pass through Rhodesia was final.

26 Guerrillas Killed
SALISBURY, Rhodesia, Feb. 18 (Reuters).—Rhodesian security forces have killed 26 guerrillas and captured many more since the present operations against them in the northeastern border areas began in December, according to an Information Ministry statement here yesterday.

The last official figure given about two weeks ago was 18 guerrillas killed and a "considerable number" captured.

Bangladesh Hit By Smallpox
DACC, Feb. 18 (Reuters).—Smallpox has broken out throughout Bangladesh and more than 1,000 persons have died. Dr. N.A. Ward, a World Health Organization adviser here, has announced.

Dr. Ward said that 200 cases a week were being reported from congested areas in Dacca, where the situation was "extremely serious."

He said that the sooner the city could insure the vaccination of its population, the sooner Dacca would be free of "this dreadful disease."

Rifle Tests Fired
On June 20, 1972, Tractman and a second American, Robert Pincus, brought a third American, August McCormick Lehman, to Manila, the report continued. Tractman introduced Lehman to Mr. Osmena as a professional killer.

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Munich to Put License Plates On Its Horses

MUNICH, Feb. 18 (AP).—Munich horses will be issued license plates this spring to help police and passersby identify reckless riders.

Officials said that the measure is being taken because anonymous equestrians are galloping dangerously through city parks and forests, damaging greenery and public streets.

The license plates will be issued at automobile registration offices. They will be required beginning April 1, officials said.

Federal Official Assails Nixon for Proposal on TV

COLLEGE STATION, Texas, Feb. 18 (AP).—Federal Communications Commission Commissioner Nicholas Johnson has assailed the Nixon administration for attempting to "outlet" the television networks "out of the way."

Discussing a recent White House proposal to make individual television stations responsible at license renewal time for content of network news, he said the national newspapers reach a significant percentage of the American people.

"All you've got left is the TV network news. That's why the President is trying to get them out of the way. Once he individualizes them by getting you to turn them off, he has accomplished his goal," Mr. Johnson said.

"You are less well informed today than you were three years ago," said the outspoken commissioner, whose seven-year term expires in June.

"There are people who benefit from your not knowing what is going on and there are people who benefit from your knowing only what they want you to know," Mr. Johnson told a student conference at Texas A&M University.

He said power is no longer measured in terms of land, money or even armies, but control of ideas maintained through control of the little glass screen. The Washington game is to turn newsmen into repeaters, not reporters.

Nixon Emissary Calls on Debré
PARIS, Feb. 18 (Reuters).—Peter G. Peterson, a personal representative of President Nixon, met with Defense Minister Michel Debré of France today for 40 minutes.

He arrived late yesterday on a four-day visit largely designed to sound out the French before the United States and Europe open trade negotiations and discussions of monetary reform.

Mr. Peterson, a former secretary of commerce, is on a five-country swing around Europe. He has visited Rome and Bonn and is due to go to London and Brussels before returning to Washington on Feb. 28.

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The Fire Doesn't Cease

While the United States has been concentrating a sentimental, if quite understandable, interest upon the returning prisoners of war, the fighting in Indochina continues. Not only Cambodia and Laos are still embroiled—despite hopeful rumors about an imminent settlement of sorts in Laos—but South Vietnam has been afflicted with so much gunfire of various sorts that the Joint Military Commission, which consists of representatives of the four parties involved in the Vietnamese struggle, has called upon the South Vietnamese and Communist commands to call a halt. An order and radio appeals to that effect have gone forth.

It might have been hoped that after three weeks the kind of scattered brawls that are inescapable after a war of this kind might have diminished to the point where the regional international truce teams might have been able to exercise some real supervision over the area. This has not been the case. One very concrete reason for this seems to be the attitude of the Saigon government toward the North Vietnamese and Viet Cong personnel engaged in official supervisory duties under the cease-fire. They have been isolated, and kept under uncomfortable conditions, and the result is that the international truce teams have had little contact with them or with the situation as a whole. This involves an American responsibility for the actions of its ally, and it is a responsibility that must be promptly discharged. The United States cannot permit the formal

peace-keeping (or peace-inducing) apparatus to fall apart because of the derelictions of Saigon.

So far as the actual fighting is concerned, there is no special reason to believe that one side, more than another, is guilty of violations. Both have incentives to take as much territory and control as large a population as possible; both, doubtless, have overzealous groups and individuals operating on the edges of the main commands; both are accustomed to long years of semi-covert local raids and repressions. And both the terrain and the conditions of the cease-fire, with nice, clean lines on maps, but clusters of strongpoints and disputed areas scattered about the countryside, lend themselves to undisciplined warfare, or what can pass for that when either side seeks some particular advantage.

Given these potentialities for confusion, however, it is of first importance that both the Joint Military Commission and the international commission be given every opportunity to observe, complain, and take official action. If those bodies are hampered, as they have been by Saigon, the chief blame, if not the chief guilt, for continued killing will assuredly rest on the South Vietnamese government. The commissions form focal and promulgate information as well as having the responsibility of eventual control. They must be given full freedom of action, and the United States has an obligation to see that any inhibitions on such freedom do not come from its side.

Politicized Dollar

Devaluation of the dollar has become a handy instrument for exporting the political consequences of mismanaged domestic economic policy. Necessary as was the administration's decision to cut the exchange price of United States currency for the second time in fourteen months, it would be a mistake to pretend that this represents a painless corrective for the economy's present ills or, for the future, that the country can dance through an endless series of such devaluations without disrupting the fabric of international relations—political as well as commercial and financial.

Even in a period when rigid attachment to the gold standard has rightly lost its status as holy writ, it is astonishing that a depreciation of more than one-sixth in the overseas value of the dollar in hardly more than a year has caused so little outcry. The dominant Democrats in Congress are expected to give the required legislative assent with minimal exercise of the opportunity to chide President Nixon for economic policies that have led to the present situation.

The moderation of the congressional response contrasts markedly with the experience in other developed countries that have found their currency under siege. When Britain devalued the pound in 1947, the chancellor of the exchequer felt obliged to resign. The Labor government then in power paid dearly at the polls for the economic misjudgments which resulted in that forced devaluation. A French government would sooner demolish the Louvre than devalue the franc. And the governments of West Germany and Japan, faced with the much less distasteful duty to uphold their currencies, have nevertheless trembled at the adverse political consequences they rightly considered inevitable.

In many ways it is constructive that both the White House and the congressional leadership have abandoned much of the superstition that used to govern this country's approach to foreign exchange. There is nothing sacrosanct about the precise point at which the dollar is pegged in relation to other currencies. On the contrary, all the breakdowns and crises since Bretton Woods have underscored the need for monetary flexibility.

The danger in the complacency with which this second devaluation is being taken is not in its immediate impact on domestic price levels—although that will not be in-

consequential—but rather in the failure of Congress to hold the administration accountable for the succession of miscalculations and misrepresentations which, if unacknowledged and uncorrected, could make this merely a way station in the dollar's decline.

The present jumble is the outgrowth of a long line of acts of commission and omission by this administration. In its early years it ran huge budget deficits without pushing either tax reform or a general tax increase; it prolonged an enormously expensive war and undermined its own well-conceived and well-administered program of mandatory wage-price controls. All this while inflation remained undefeated and America's deficit in foreign trade grew to staggering dimensions. The January increase in wholesale prices, led by farm and food products, continues an alarming trend.

The political deference the President has been showing to organized labor—reflected again last week in his dispatch of Secretary of the Treasury Shultz and Secretary of State Rogers to Florida to conduct secret diplomatic negotiations on trade and monetary matters with AFL-CIO potentate George Meany—does nothing to encourage hope for zeal in fostering free trade or in checking the inflationary spiral that worsens the competitive position of American goods in world markets.

The President himself is scheduled to fraternize with Mr. Meany and other labor bigwigs today. Along with domestic fear over the implications of this strange love affair goes resentment abroad over what looks like a conscious administration policy of fostering massive investment by American industries in foreign plants. If carried to excess, this policy of increased capital export could prove as destructive of sound world relationships as those spawned by dollar diplomacy in the old "banana republics" of Latin America.

Unquestionably, the President needs support in his current effort to patch up the monetary and trade situation; but Congress has an essential role to play in the quest for more durable solutions than were embodied in the Smithsonian agreement of Dec. 18, 1971, hailed at the time by President Nixon as "the most significant monetary achievement in the history of the world."

THE NEW YORK TIMES.

International Opinion

Kissinger in Peking

Relationships between America and China have blossomed with what seems like amazing speed, taking into account the apparently insuperable barriers that existed only recently. Now Henry A. Kissinger is again in Peking, his fifth visit. So rapid has been the change that his visit looks almost routine. It is not routine of course—very far from

it. It could be the beginning of the most important stage yet in the developing relationship, the approach to the establishment of regular diplomatic relations between Peking and Washington. The main unfinished business in the area remains, of course, the continuing presence of American forces in the island of Formosa.

—From the Daily Telegraph (London).

In the International Edition

Seventy-Five Years Ago

February 19, 1898
NEW YORK—The cause of the disaster to the United States battleship Maine in Havana harbor is still unknown. Congress and the public generally are calmly awaiting the result of the investigation. The death-roll may reach 360, and there are 90 men in the hospital, all frightfully injured. Expressions of sympathy have been received in Washington from the heads of many governments, including Queen Victoria, the queen of Spain and the Emperor William.

Fifty Years Ago

February 19, 1923
NEW YORK—The first major league baseball team to get away for spring training was the Chicago Nationals. The Cubs boarded the train at Chicago this noon with California as the destination, and for the next six weeks will work out the rough edges in the Catalina Islands. The New York Yankees will be the next to go, down to New Orleans. Ed Barrow has already sent out the contracts and no problems are expected. Babe Ruth is already in training, impatient to go.



Nixon's Conservative Reforms

By James Reston

WASHINGTON.—Sen. George McGovern based his disastrous presidential campaign on the assumption that the American people were ready for radical reform and now President Nixon seems to be interpreting his spectacular victory as a mandate for dramatic conservative reform.

It could be that Nixon is making the same mistake in the opposite direction, for the reaction to his stream of budget cuts and program amendments is now flooding into Washington, and while it shows some support for modest changes, it definitely suggests that the President, like McGovern, may have gone too far.

To judge primarily by the letters coming into Capitol Hill, the President's anti-busing, anti-welfare and anti-big-government pronouncements have been popular, but his specific proposals for cutting federal aid to housing, health, education, libraries, manpower training and other employment projects, and his latest suggestion that Congress gradually eliminate federal farm subsidy payments, are raising howls of protest.

This reaction came slowly at first for a variety of reasons. First, the President did not set out to dismantle all the social programs of the Roosevelt and post-Roosevelt periods, as some of the protesting Democrats suggest. He was selective in his cuts and took aim at several political boondoggles most objective observers felt should have been eliminated long ago. Also, he suggested larger appropriations for some social programs, aid to the aged, for example.

Storms Descend

Second, he fired so many programs at the Congress in a few short weeks that neither the Congress nor the press had time to analyze one program before he hit them with one or two more. But, gradually, as the President's first few cuts accumulated into a program of substantial conservative reform, affecting the economic interests of one powerful group after another, the storms began to descend on the Congress and the protest leaders are now organizing a massive rally against his reforms in Washington within a few days.

Also, the President's budget cuts coincided with steeply rising food prices and the devaluation of the dollar, which will add to the cost of imported oil, steel and many other products. The wholesale price index rose 1.6 percent in December and 1.1 percent in January, and the agricultural sector of the index was up 5.2 percent in December and 2.9 percent, seasonally adjusted, in January. There was little complaint from big business about any of this, for total business sales rose by \$1 billion in December and total business inventories were up by \$1.3 billion over the same period.

Nevertheless, a lot of people who had joined Nixon's new majority in the last election were hurt by the price rises and worried about the potential effects of his proposed cuts and by mid-February they were beginning to be heard not only in the Congress but in the White House.

The administration is doing its best to transform the support it got from labor in the last election into a permanent Republican gain in future elections, but when Secretary of the Treasury George Shultz went down to Florida the other day to confer with the labor union leaders in convention, he was told not to expect much labor support for the administration's cuts in the social programs.

Minnesota, which was among the 49 states that voted for Nixon in November, recently voted \$691 million in state funds to assure equality of education in all communities in that state, but it did so on the assumption that federal aid to education would remain about as it did in the last budget. Now it is faced with the prospect of adding new state and local

taxes if it cannot get the federal education budget cuts restored. The state of Washington, like other states, is being warned about an impending fuel crisis in the nation, but at the same time the President has indicated that funds for their great dam and electric power system in that state are going to be cut.

Misjudging Mood

"People in our state," said Sen. Scoop Jackson of Washington, "may like to hear the President say that he's against raising federal taxes, but they're not so impressed if local and state taxes have to go up to provide the services they need. They are worried about local taxes and the price of food, and when prices go up for imported gas and oil and other things because of the devaluation of the dollar, they're going to be even madder than they are now."

"I think the President may have misread the election returns and is now misjudging the mood of the country," a Republican senator who supported him in No-

vember remarked. "The people may be for some change, but they're not for Nixon's extreme changes anymore than they were for McGovern's extreme changes. I don't think they voted for dramatic reforms. They didn't particularly like Nixon but they couldn't vote for McGovern. That's about all there was to it."

It may be, of course, that the administration's budget is merely Nixon's negotiating position. In his exercise of power, he likes to confront his opponents with stern alternatives: bombing or peace in Vietnam; limit expenditures or I'll impose the funds above my limit; reform wasteful or unneeded programs, or I'll veto them if passed.

This makes good headlines and gives the Republican conservatives a clear rallying cry. But it also helps reunite the divided Democrats and mobilizes powerful constituencies that supported the Democrats in the past. It would be ironic if Nixon repeated McGovern's mistake of trying to go too far too fast, but this may very well be what's happening.

A Voluntary World Power

By C. L. Sulzberger

WASHINGTON.—Pentagon studies have persuaded the White House that ending the draft and shifting this year to armed forces based only on volunteer enlistments will but slightly diminish the overall size of this country's military establishment. Therefore this will neither weaken the U.S. defense role as home or abroad nor affect its role as a major factor in achieving foreign-policy goals.

President Nixon's grand strategy for an era of negotiations is clear. It focuses on adaptation to new world realities in a way that doesn't upset the existing security equilibrium. To preserve a security balance it is considered necessary to devise a certain architecture of international relationships in which reductions of strength by one or another group of powers is met by comparable reductions by other groups.

To avoid disequilibrium the President is represented as wholly opposed to any unilateral force cuts by the United States. These might reduce its bargaining position in such complex negotiations as the second round of SALT (arms limitation) talks, MEFR (reciprocal force reductions) and European security.

Diplomatic Role

The part played by American armed forces in diplomatic bargaining is not as critical as this is true, for example, in Europe, where every effort is being made to keep approximate

parity in strategic weapons between the NATO and Warsaw pact coalitions and also in the strength of conventionally equipped armies.

This approximate parity must be supported until negotiations that have still but tentatively begun can bring about gradual reductions in strength by both sides and simultaneously in order to avoid tilting the power balance and causing a slide in one or another direction. The essence of the present concept is preservation of what is seen as an enduring stalemate as the most realistic means of guaranteeing peace.

Utmost care is therefore being taken to insure that the difficult switch away from the draft to volunteer enlistments will not upset these calculations by weakening America's defenses. At present U.S. forces total 2,350,000, including about 300,000 in NATO Europe, 42,000 in South Korea and 30,000 in Japan. The plan is that by the end of the 1974 fiscal year, 12 months after the volunteer system is totally effective, the figure will drop only to 1,000,000, to 2,350,000.

It is anticipated that recruiting levels can be kept up by making military service more attractive without weakening discipline and stressing that volunteers are given the type of job for which they are best suited and in which they are most interested.

Efforts are being made to reduce noncombatant elements

in the military complex and to assign civilians to certain jobs now held by uniformed personnel. In this way it is hoped actual fighting strength of American forces will not be reduced until comparable reductions can be negotiated with adversaries.

Moreover, the White House recognizes another delicate aspect of this problem. Should there be a sudden cut in conventional strength in Europe, for example, this might revive dependence upon early use of nuclear weapons. That is a direction opposite to that which American planners hope to follow. It might also give fresh impetus to the idea of a "European" nuclear force composed of existing British and French atomic forces.

Other Allies' Views
At one time Washington favored such a combined force which would be partly governed by the desires of other European allies such as Italy and above all West Germany. There is notably less enthusiasm for it here now.

Likewise, it is necessary to maintain adequate American strength in the region of Japan to back up that country's national defense forces as both the Russians and Chinese continue to expand their conventional and nuclear-missile power.

If the United States were not visibly present, elements urging that Japan should become an atomic military power could gain influence. Washington is by no means enthusiastic about such a prospect.

The administration's essential aim is to make a smooth shift from reliance on conscript forces to reliance on a volunteer system, which is virtually in effect already although the legal deadline doesn't come until July 1. (The restriction is subject to change in national emergencies.)

In other words, the President wishes to comply with the national consensus on this vital issue without either opting out of world responsibilities or feeding nationalist sentimentality. It is a difficult job, but indications are that it has been successfully faced.

President's Free-Trade Smokescreen

By Joseph Kraft

WASHINGTON.—President Nixon has adroitly used the occasion of dollar devaluation to put himself in good position with the Congress and the world ahead for further progress toward more liberal trade.

If anything, his tactics—which are the tactics of using protectionist talk as a smokescreen for free trade—are to the point of being risky.

The main thrust of the President's action was to set up devaluation as a launching pad for trade liberalization. In that vein, Mr. Nixon said that devaluation was "at best only a temporary solution of a problem." He added: "Only by getting trade legislation on the pressure on the dollar be taken off."

Even if he crowded urgency behind the theme of trade legislation, Mr. Nixon opened an escape hatch for domestic and foreign leaders previously hooked on protectionist positions. Consider, first, his tactics with the Congress.

Mr. Nixon went to extraordinary lengths to set out of a process of consultation with this Congress about the future trade bill. He said that he would continue to be in close touch with Chairman Wilbur Mills of the House Ways and Means Committee and Chairman Russell Long of the Senate Finance Committee on the legislation. In a rare gesture of accommodation, he sent Secretary of State William Rogers and Secretary of the Treasury George Shultz to talk with George Meany of the AFL-CIO about the new legislation.

Liberal in Spirit

No one who has even dimly followed the process of working up the trade bill inside the administration can take this show of consultation very seriously. The President has in fact gone far down the path toward legislation, that is, toward goodness, liberal in spirit. Even the supposedly new presidential request for authority to raise tariffs, under certain conditions, only replicates existing safety clauses in the legislation.

But Mr. Nixon is promoting his liberal legislation by giving a hard-nosed, protectionist garb. To the extent that he affects to consult the protectionist interest in the Congress and in the trade unions, in similar vein, the White House puts out—through newsmen who confuse sounding tough with being informed—stories that a heavily protectionist law is in the works. Similarly, Mr. Nixon himself says of tariffs: "We must go up as well as down."

The risk in that tactic is that the protectionists will take the bait which Mr. Nixon is handing out to them and run with it. But in fact the protectionist interest is really not all that strong. The main force for labor, with employment, high partially as a result of increased trade, is unwavering itself from high tariffs. So with a little push from the true free-traders, the President should be able to get a decent bill out of the Congress.

Almost the same pattern of feints has been set up with the foreign countries. Mr. Nixon talked in a tough way about readiness to use protectionist measures to force other nations to open their markets to American goods. He said that in the past the United States had "entered too many negotiations abroad in which all we have done is to negotiate down, whereas others have negotiated up."

Not a Bad Record

In fact, the United States has not done all that badly in trade negotiations, particularly with the Europeans. Mr. Nixon is only using the threat of higher American barriers to shake Japanese and European protectionists a little.

The risk is that the Japanese and Europeans will take the bait and putting too seriously. If they do, they could take a labor protectionist measures that would set in motion, not liberalization but a trade war.

For my own part, I'm not sure the risk is necessary. I think Mr. Nixon could have afforded a more straightforward commitment to more open arrangements to trade and money.

But that's a small complaint, the equivalent of complaining that Mr. Nixon does the right thing but not for the right reasons. I am satisfied that Mr. Nixon has pushed the trade question beyond the dispersion of experts to the center of political attention—and that is very much the right thing.

Machine-Gun Fire From Car Kills 2 Postmen in Belfast

BELFAST, Feb. 18 (UPI).—Machine-gun fire from a passing car killed two post office employees in the Catholic Lower Falls district today, police said. The deaths raised the toll in 12 years of violence here to 4.

Guerrillas in a car sprayed bullets into a group of people at the corner of Divis Street and Herbert Street, police said. The car had been stolen earlier in the day.

The attack occurred 24 hours

after gunmen in a car seriously wounded a Protestant man in Roden Street, a mixed Protestant-Catholic "no man's land."

That, in turn, followed the shooting of a Catholic found with his head hooded and slumped over the wheel of his car in Belfast's Protestant Ravenhill area Friday night. The Catholic, Francis Taggard, 23, died of his wounds yesterday.

Near British Post

Today's machine-gun attack was on a group of men chatting beneath a sandbagged British Army observation post that is on the roof of an abandoned textile mill overlooking the Lower Falls.

The men killed and wounded were post office employees, wearing gray postal uniforms. They apparently had stopped off on their way to or from the downtown main post office, the only one open Sunday.

The Protestant United Loyalist Council today rejected an offer of talks on Ulster's future by the province's main Catholic party, the Social Democratic and Labor party.

The Loyalist Council, an umbrella organization of militant Protestant groups, said: "The Council cannot accept that a new constitution can be negotiated behind the backs of the people."

Council chairman William Craig initially had welcomed the SDLP bid. But other factions objected that the SDLP subscribes to the goal of the illegal Irish Republican Army—unification of mainly Protestant Northern Ireland and the heavily Catholic Irish Republic.

No Incident

No incident occurred during the Pope's appearance, which lasted about five minutes. It was not immediately known whether Pope Paul was aware of the police alert.

The Milan newspaper Corriere della Sera received a phone call last night announcing that a man in female clothes using a rifle with a telescope would fire at the Pope at noon today "to protest against conscientious objection."

The status of conscientious objectors to military service—hitherto regarded and punished as deserters—was legalized in Italy recently.

Racketeer Frank Costello Dies at 82 in a N.Y. Hospital

NEW YORK, Feb. 18 (AP).—Frank Costello, 82, a racketeer who fought his way to the top of the mob didn't kill today at a New York City hospital after nine years of suffering from cancer.

A hospital spokesman said Costello had been hospitalized for 10 days. He had been suffering from throat cancer for several years, he said.

The one-time "prime minister of the underworld" and boss of multimillion-dollar slot machine and bootlegging rackets spent his last years as a man about Manhattan.

Costello achieved unwanted national fame in 1961 when he demanded that TV cameras not be aimed at his face during testimony before a Senate crime investigation headed by Sen. J. Edgar Hoover of Tennessee.

His voice rasping from throat surgery, the mob chief told the "nators he had once been a bootlegger and a bookmaker, but that was now respectable. For television viewers there was just the nice and Costello's hands, neatly manicured and forever fidgeting with the table before him.

Authorities believe the mob boss Costello told after he survived an attempted assassination in 1967 but refused to identify his assailant. The bullet only grazed Costello's scalp as he entered his apartment building off Central Park.

Waldorf Barber Shop
The government tried vainly 14 years to deport him to his native Italy, where it had sent him, the late Charles (Lucky) Luciano and Joe Adams.

Costello, born Francesco Costello, had left Italy in 1895

Women Guerrillas
Yesterday, a teen-age girl planted a bomb in a Belfast shop. Her act highlighted the increasing role women are playing in the guerrilla campaign in Ulster.

Police said the girl planted an incendiary bomb in a shop in the heart of the capital while a male companion held the staff at gunpoint. The bomb ignited but firemen smothered the flames before they could take hold. Only minor damage was caused.

Sources close to the security forces said the detention without trial of two girls during the last month could be only the beginning. Women now can expect to be rounded up along with their menfolk, the sources said.



FOUND—Mr. and Mrs. Robert with their son Marc who had been missing since Feb. 6.

Boy Feared Dead in Paris School Fire Is Found Hiding

PARIS, Feb. 18 (UPI).—A boy who disappeared the day a fire destroyed his school, killing 22 persons, was discovered yesterday living a few streets from his home.

The boy, Marc Robert, 14, who was thought to be dead in the blaze, was staying with the family of a classmate.

He told the police he feared an inquiry into the fire would reveal that he had been staying away from school for two weeks before the fire.

When it broke out Feb. 6, he forged a letter from his mother and took it to the parents of a friend, Patrick Urlo. The letter

said: "I chased Marc out of the house. His father is very angry with him. Can you take him in?"

Mrs. Urlo took in the boy without asking questions.

Last night, he was returned to his family. His father said: "We are happy. Marc has been welcomed as a child who strayed."

Obituaries

Charles Stewart Mott, 97, Former Top GM Stockholder

FLINT, Mich., Feb. 18 (AP).—Charles Stewart Mott, 97, known as an automobile pioneer, philanthropist, and once the largest General Motors stockholder, died early today in St. Joseph's Hospital here.

Mr. Mott entered the hospital on Jan. 28, suffering from a cold, hospital authorities said. He, developed influenza and his condition deteriorated, the authorities said.

Mr. Mott was born on June 2, 1875, in Newark, N.J., but he made his home in Flint.

Although the size of his personal fortune has not been revealed, Mr. Mott was regarded as one of the richest men in the United States. The former officer of General Motors had remained an active member of the corporation's board of directors and one of its largest stockholders.

A modest spender in his personal life, Mr. Mott was a philanthropist who gave away more than \$130 million.

The Mott Foundation, endowed by a gift from Mr. Mott of nearly two million shares of General Motors stock in 1958, was a major benefactor of both the city of Flint and the University of Michigan, where the Mott Children's Hospital is named in his honor.

Mr. Mott and his fourth wife, Ruth, lived modestly, led a man of his wealth, in their 15-room estate, Applewood, in Flint. He and the former Ruth Mott Rawlings, a distant cousin, were married in 1934. They had three children and Mr. Mott also had three children by his first marriage.

After studying in Denmark and Germany as a young man, Mr. Mott entered Stevens Institute of Technology in Hoboken, N.J., and received a mechanical engineering degree.

Much of his early fortune came from the bicycle-wheel firm, Weston-Mott Co., founded by his father and an uncle in Utica, N.Y. He became superintendent of the firm in 1900 after serving as gunner's mate in the Spanish-American War.

In 1907, Mr. Mott moved the firm, which had begun to turn out automobile wheels and axles, to Flint.

Several years later, he sold General Motors a 49 percent interest in the firm for \$1.4 million of stock. He turned over controlling interest in 1913 for more General Motors stock.

Mr. Mott got to be General Motors' biggest individual shareholder. In 1960, he reportedly held 2,450,000 shares. Even after his large gift to the Mott Foundation in 1963, he reportedly held 103,000 shares himself and 680,000 shares in trust for his wife and six children.

Mr. Mott served as a director of General Motors from 1913. At various times, he served on the company's executive, finance and audit committees and as a vice-president from 1918-37.

Marion H. Potter

GREENWICH, Conn., Feb. 18 (UPI).—Marion Hays Potter, 82, a writer and founder of the Greenwich Committee for the United Nations, died yesterday at her home here.

Mrs. Potter, the widow of William J. Potter, an artist, wrote articles for the American Spectator and other periodicals. She had been active in support of the International League for the Rights of Man, the American Civil Liberties Union, the English-Speaking Union and in aid of American Indians.

Josef L. Fischer

FRAGUE, Feb. 18 (AP).—Josef Ludvig Fischer, 78, a noted Czechoslovak non-Marxist philosopher, died in Olomouc, Moravia.

Fire Kills 6 in France

VALENCE, France, Feb. 18 (Reuters).—Six children died today in a fire at their home just before dawn. The victims were between 7 and 16 years of age.

2 Die, 8 Missing In Italian Slide

NAPLES, Feb. 18 (Reuters).—Rescue workers were still searching today in tons of rubble and mud for eight persons who were believed to have died in a landslide near here on Friday night.

Two bodies—those of a 73-year-old woman and a 24-year-old woman—have been dragged from the remains of two houses on the edge of the small town of Termini near Massalunze, on the south side of the Bay of Naples.

A police spokesman here said there was no hope that the other eight persons understood to have been in the houses had survived.

The landslide was apparently caused by a violent thunderstorm following three days of rain in the area.

Caamano, 1965 Rebel Leader, Slain as Dominican Guerrilla

SANTO DOMINGO, Dominican Republic, Feb. 18 (Reuters).—Strong police units ringed the university here today to prevent any attempt by leftist students to stage demonstrations over the death of revolutionary leader Col. Francisco Caamano in a clash between guerrillas and troops.

Col. Caamano, 40, was killed by troops on Friday as he fought at the head of a group of Cuban-trained guerrillas who landed in the Dominican Republic two weeks ago, according to an armed forces announcement here.

He became a hero to the left and was sometimes dubbed "the second Che Guevara"—following a 1965 uprising he led in an effort to restore leftist President Juan Bosch to power in this small, sugar-growing country that shares the Caribbean island of Hispaniola with Haiti.

Mr. Bosch had been ousted by rightist officers 18 months earlier.

Rebellion Failed
Col. Caamano's rebellion failed when U.S. President Lyndon Johnson ordered 50,000 marines into the republic, claiming that there was danger of a Communist takeover. Col. Caamano later went to Cuba.

Many leftists yesterday refused to believe the report of his death. But two local journalists who were allowed to see the body before it was buried near the scene of the clash said they had no doubt it was that of Col. Caamano.

One of the journalists, Antonio Garcia, whose paper printed photographs of the guerrilla, said the

France Will Test Mud Called Peril To Corsica Fish

BASTIA, Corsica, Feb. 18 (AP).—The French government announced yesterday that it would carry out an oceanographic investigation of the "red mud" industrial waste being discharged from an Italian factory and alleged to be harming Corsican fisheries.

Fishermen barricaded the Corsican ports of Bastia and Ajaccio yesterday to protest the "red mud." Demonstrators later invaded the administration building in Bastia and threw large numbers of files out the windows.

Police intervened with tear gas to clear out the demonstrators and injuries were reported.

Environment Minister Robert Poujade announced that the survey ship Jean Charcot, assisted by aerial reconnaissance, will conduct pollution tests for three days beginning Tuesday in the Tyrrhenian Sea area between Italy and Corsica. The Italian company Montedison is discharging the waste into those waters from a coastal paint factory.

The Corsicans claim the waste will kill fish and eventually also harm tourism as the sea becomes increasingly polluted. Several car ferries were taken off their scheduled runs to Corsica today because of the fishing-boat barricades across the harbor.

Cheating Forces Metro to Suspend Use of Machines

PARIS, Feb. 18 (Reuters).—The Paris Metro, which has been replacing human ticket punchers with machines, has decided, because of widespread cheating, to replace the machines temporarily with people.

A spokesman for the subway system conceded that it was possible to get an almost limitless number of rides with one ticket because the new punching machines cannot distinguish between a used and an unused ticket.

The Metro is used by about four million travelers a day, and officials believe that between five and 10 percent are riding at no cost.

Starting tomorrow, squads of ticket punchers will return to a dozen busy stations where the fraud rate is particularly high, the spokesman said.

When the machines have been replaced by an advanced model, the punchers again will disappear.

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'Parody' Is Best-Seller in Russia

Soviet 'James Bond' Draws Official Wrath

By Hedrick Smith

MOSCOW, Feb. 18 (NYT).—James Bond now has a tough-talking, smooth-operating Soviet counterpart who has been amusing the young literati, titillating subway readers and offending the literary establishment for seeming to make the real McCoy too much of a hero.

Typically for any offbeat Soviet work of fiction, all 100,000 copies of "Gene Green, Unconquered: The Career of CIA Agent 014" sold out in a couple of days late in December. Except for a more modest Bulgarian competitor or a contraband Ian Fleming novel about James Bond passed on furtively to an eager audience by foreign travelers, this sort of thing had been beyond the reach of Soviet readers.

Also typically, because there is so little book promotion most people did not even know what they had missed until Yevgeny Yevushenko, the establishment poet and Writers' Union official, denounced the parody in print.

The book is impossible to buy now and almost as hard to borrow, and one of the authors said he feared that Mr. Yevushenko's attack, a scathing official disapproval, might have blocked a second edition planned by the Young Guard Publishing House.

The introduction to the 700-page novel describes it as a political-satirical science-fiction adventure, a documentary parody with its cutting edge aimed at the Pentagon and other aggressive military circles. It is presented as a translation.

Mr. Yevushenko, in the Writers' Union weekly, Literaturnaya Gazeta, maintained that the spoof was a flop because the three authors had become too fascinated with the very characters they had sought to deride.

"Evidently your desire was to expose supermanism and Fleming-charming Bondism," he said, adding that the "melodramatic description of silhouettes, Colts, brass knuckles, birthmarks in which there is poison, fights, tortures, murders, strip-teases, pot-smoking, brought the translators without their noticing it to favoring supermanism and not its exposure in rough parody."

The force of Mr. Yevushenko's criticism was a surprise since one of the authors, the novelist Vasily Aksyonov, was a close friend of the poet in the group of new-wave writers during the literary liberalism of the late 1950s and early 1960s. At that time Mr. Aksyonov became known abroad for a youth novel, "Ticket to the Stars."

The other authors of "Gene Green" are Grigory Pozdnyanov, a poet, and Ovid Gorchakov, a writer who during World War II served as a partisan fighter and as a Soviet intelligence agent dropped into Warsaw in the guise of a youth novel, "Ticket to the Stars."

A Catholic Congress
Opens in Melbourne
MELBOURNE, Feb. 18 (Reuters).—The 40th Roman Catholic International Eucharistic Congress opened here today with a service at St. Patrick's Cathedral.

The inaugural ceremony was conducted by Lawrence Cardinal Shehan of Baltimore, papal legate to the eight-day congress, who read a letter from Pope Paul.

Thousands of pilgrims from all over the world have come to Melbourne for the congress.

French Are Using Trout to Signal The Approach of Polluted Water

NANTES, France, Feb. 18 (AP).—"Troutmeters" are the latest French invention to detect water pollution.

This Loire Valley city is the second to plan a detection installation based on the swimming habits of trout to alert engineers to polluted water approaching the city supply system.

Trout equipped with devices that interact with photoelectric cells are kept in a special lock on the river upstream of the city water intake.

In clean water, the trout swim upstream, and one type of signal is emitted to the control post. Any pollution causes the supersensitive fish to become ill and they swim down with the current, producing a different signal that warns the engineers of polluted water approaching the city supply.

Egypt Sets Up Committees To Hear Student Complaints

CAIRO, Feb. 18 (Reuters).—The Egyptian parliament has formed special committees to hear student grievances and a number of detained students have been released in an effort to restore peace on the university campuses.

Hafes Badawi, speaker of parliament, has ordered the formation of the committees under his chairmanship to "exchange views with the university students in groups of not more than 40 at a time outside study hours."

The authoritative newspaper

Al-Ahram said today that a number of students detained for demonstrating at both Cairo and Ain Shams Universities were released yesterday.

The paper did not reveal how many were released but those detained are known to number well over 100.

The decisions appeared to have appeased militant students who staged weeklong demonstrations culminating in clashes with the authorities in protests over the arrest of students.

Right of Appeal

The students also are demanding that the universities revoke decisions dismissing a number of students following the demonstrations and that they give these students the right of appeal.

Ismael Ghannem, rector of Ain Shams University, told students yesterday that agreement had been reached with the prosecution to allow families of detained students to visit them together with student representatives.

He said that the good treatment of detained students and the call for ending investigations quickly in addition to a public trial of those charged were also demands of the university's teaching staff.

But first, order must be restored in the campus and the supremacy of the law must be respected, he said.

A large crowd of students held a meeting at Cairo University campus yesterday, but there were no street clashes.

Police forces, which ringed the campus last week, were withdrawn and held in reserve at a nearby exhibition ground.

4 Die on Greek Train

MEGARA, Greece, Feb. 18 (Reuters).—Four persons died and 36 were injured when a passenger train jumped the rails and plunged down a precipice near here Friday night, a police spokesman said yesterday.

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Dropout U.S. Wives—Their Number Shows a Sharp Rise

By Enid Nemy

NEW YORK (NYT).—The number of wives running away from home, or walking away from marriage, has risen dramatically over the last 10 years.

Detective agencies that specialize in tracing missing persons report that the ratio of disappearing wives to husbands, particularly in large Eastern cities, has risen from about 1 in 100 a decade ago to more than 1 out of 3 now.

"The figures just hit you in the eye," said Edward Goldfader, whose firm last year was assigned to track down 733 wives and 1,394 husbands who had vanished from home.

Mr. Goldfader, president of Tracers Company of America, with headquarters in New York, attributed part of the increase in both marital categories—run-aways and dropouts—to the burgeoning women's movement.

"Wives usually take off as a declaration of discontent and lack of personal fulfillment... and with the encouragement of the emerging women's lib movement," he asserted.

To Vincent Murphy, executive vice-president of the James B. Nolan Co., a nationwide investigative service, the soaring rate indicates that "women have used the freedom they've gotten they've taken off."

"They have made their point, they've made their voice heard," he said. "They've accomplished what they set out to do."

Although there are no statistics available, many of the women who successfully vanish, or refuse to return home, have been trained for a career that they pursued before and during their marriage. A number of the women who agree to return have few job skills and, when trained, are found to be employed in work that was both unchallenging and poorly paid.

When Judy Sullivan walked out on her husband, John, and 12-year-old daughter, Kathleen, she took with her two college degrees, a career as an art historian and a sense of purpose.

"I was no shining flash," she said. "We were sustaining a life-style I didn't consider valid, and it was being sustained at my expense."

Now 36, Mrs. Sullivan had been married 13 years when, with her family's knowledge, she left their blidde Western home and took off for New York in 1971 to begin a new career and become actively involved in feminist causes.

'Big Problem'

The yearlong disappearance of Joyce Lerman (a pseudonym) both began and ended differently. Her flight, with two young children, began precipitately and concluded several months ago. She returned home after detectives, hired by her husband, traced her to a Southern resort. A high school graduate, she had had only vacation

work experience before her marriage at the age of 17.

"The big problem was that we had no communication," said Mrs. Lerman, who worked as a waitress during her year away from home. She had been married to a power company employee for eight years before she "couldn't stand it anymore."

"He always used to knock me down and tell me I was stupid," she said. "I may not be the brightest person but you don't need a husband standing there and telling you that."

The Lermans, who live in upstate New York, had problems other than communication throughout the years. The marriage itself estranged her parents, who disapproved of their daughter, a Protestant, marrying a Jew.

Another source of difficulty was Mr. Lerman's extramarital liaisons, discovered by his wife in the traditional manner—a card with a girl's name and telephone number in his pocket, and lipstick and makeup on shirts.

After a number of confrontations, the situation was apparently resolved until late one night, when, during her husband's absence, one of the women telephoned.

"We had just moved into a new house... the things were still packed," she recalled. "I just took the children, picked up what I wanted, called a taxi and left."

After two weeks in a nearby motel, during which she telephoned her husband but refused to return, she went South. She worked in various restaurants,



Judy Sullivan, who says that since breaking up her marriage, she has been "at peace with myself."

while a neighbor sat with the children, who were both under 6 years old.

Mrs. Lerman discovered two things during her absence. She found "the world out there was cold and cruel." She also real-

ized that although she hated her husband when she left, she could remember only the good things about him.

When she was located and her husband asked her to return, she was ready.

"I wouldn't have gone back on my own... I wanted to but I was afraid," she said. "If I had called and he had hung up, I'd have gone to pieces. But I believe that woman's place is in the home and I'm more comfortable at home. My mother would have my father wash the kitchen floor but to me that's women's work. The women's movement is nothing."

She said she believed that her year away had accomplished several things. She had "sort of found my own self" and her husband had stopped seeing other women and now listened to the problems that were once "bottled up inside me."

"I think he realized I had a mind of my own when I up and left," she said.

Mrs. Sullivan, whose husband recently divorced her after giving up hope of her return, has remained on amicable terms with her family. She travels to Texas twice a year to visit, and her daughter spends part of her summer vacation with her in New York.

"But I couldn't go back because my husband still has no understanding of the things I'm interested in," she said. "I don't think he takes them or me seriously. He has no consciousness at all of his own nonconscious behavior patterns."

Mrs. Sullivan, who had completed her freshman year at college when she was married at 18, went on to get her bachelor's degree in history and a master's degree in the history of art. Her husband had completed his master's degree in administrative education and later acquired his doctorate.

Although she worked as a college instructor in the Middle West for a number of years, it was not until 1968 that "I realized I was a person... not just John's wife and Kathleen's mother."

'Autonomous'

"I was working on a book and traveling and it was the first time I was in a situation that was completely autonomous. I realized I could do a lot of things and do them well."

The travel was wedged in between teaching, keeping a 15-room house, entertaining a lot and taking my daughter to Girl Scouts, dancing class, trombone lessons and all that bit... God, I don't know how I did it!

"I was doing an awful lot of things that weren't important," she continued. "I felt so burdened... even for the responsibility of three meals a day and shopping I would talk about it with my husband and daughter at great length, and ask why they needed me. Kathleen would say things like, 'Nobody cooks as good as you.' Nobody makes cookies as good as you."

The discussions did, however, lead to a new arrangement with her husband, who was also teaching at the time.

"He made an effort to help but there was a built-in resistance," she recalled. "His approach was 'I'll help you more, but what he was saying was, 'The house is still your responsibility. I felt I had done my share and that now it was his turn. I'm leaving forced him to do it—manage his career, the house and a daughter—everything I had been doing for years."

She said she thought her relationship with her own daughter had improved since she left home.

"I think in some ways we are closer because we don't have to put up with the daily parent-child harassments," she said. "She visited her last June and I asked her whether she realized it had been two years since I left and she just grabbed me and hugged me" and said, "Congratulations."

Varied Work

Mrs. Sullivan, whose work in New York has ranged from Asia House to the National Humanities Series, a multimedia presentation about the history of the humanities to small towns, looks back on her previous existence as "a living-out of the American dream."

"A lot of women envied me," she said. "I had a wonderful husband, a gorgeous, well-behaved child, a career, a sports car—but it wasn't working."

"I'd see all the people around me, women my age, staying at home and escaping into pills, drinking and affairs. It was so wasteful, so tragic. My circumstances were different but in a sense mine was an escape too."

Her new life brought her happiness.

"I would not say I was unhappy but happy and unhappy are hard for me to deal with," she said. "I'm content, I'm at peace with myself. I've discovered that I have a responsibility for my life and can take care of it damn well. That's a very heavy thing."

World Money

The Dollar's Latest Downer Brings It Closer to Reality

By Edwin L. Dale Jr.

NEW YORK (NYT).—For the second time in 14 months, the managers of most of the world's industrial nations agreed last week to redefine the value of the dollar, that once-supreme but long-overpriced unit of measure in all trade and banking transactions.

The persistent decline in confidence in the American currency had caused an intolerable mass trade-in of dollars for German marks and other more attractive monies of more profitable trader nations. But because every major nation still relies heavily on dollars, the United States could not be left to struggle alone with the dollar's decline. All had to agree with varying degrees of enthusiasm to help find a new dollar value that would fairly reflect the world's new balance of economic and trading power.

They decided on a 10 percent devaluation, meaning in this instance that a dollar would henceforth be worth 10 percent less in exchange for Europe's strongest currencies of the moment—the German mark and the French franc. The Japanese yen, which the rest of the world has long resented as woefully underpriced in relation to other money, and the British pound, the Swiss franc and the Canadian dollar, which are not quite so strong as the German and French currencies, were left free to "float"—to seek a new level in the open money markets.

The consequences of all this will not be known for a long time. If the new levels are remotely fair, traders will agree to exchange one money for the next, which means the elimination of currency barriers to maximum trade. But nations have a way of erecting other barriers to regain the advantages they may lose in currency realignments, and President Nixon last week asked Congress for authority to take a tough line in the coming negotiation on trade practices.

Some economists predicted new price increases for Americans, not only on foreign-made goods but on practically everything. Others foresaw some momentary pain but a gradual increase in American exports, yielding greater profits and more jobs.

Although "devaluation" was once deemed a mark of shame and carried an implication of declining health and power, the leading American money managers were pleased by the opportunity that the latest crisis gave them. They think they have finally won the right to make the dollar as flexible as every other mature currency and thus the right to improve the profitability of U.S. trade in the world.

The days of supreme American military and diplomatic power after World War II had also been days of supreme dollar power—meaning that every transaction everywhere was ultimately defined in dollars. That had required the dollar to remain a firm and fixed star in the firmament.

But as other economies and currencies recovered strength, they began to take advantage of the dollar's inflexibility. Foreign goods and foreign monies stayed relatively

cheap and thus sold more and more against dollar goods. And these trade successes against the United States—and notably Japan's—made the dollar even weaker as a reliable unit of measure.

To preserve a free flow of money and trade, something had to give: either the strong currencies had to be "revalued" upward more expensive in exchange for dollars—or the dollar had to be "devalued" downward less expensive against the rest.

Devaluation of the dollar is what happened for the first time in the Smithsonian Agreement 14 months ago, when the industrial nations agreed to abandon the World War II currency structure and to erect a new one. But the amount of devaluation then turned out to be not enough. The American trade balance kept slipping and the dollar holders kept dumping. So last week it had to be done again.

A devaluation is supposed to raise the prices of a country's imports and to make exports either cheaper or more profitable. But while these price effects occurred to some degree, the nation's trade balance grew worse instead of better, culminating in the record \$6.4-billion excess of imports over exports last year.

There were several explanations for the failure of the 1971 devaluation to have the desired effect. Changes in exchange rates always take time to work and at first typically have "perverse" effects because imports already on order come more, thus swelling the import total in dollar terms. In addition, last year the U.S. economy was growing rapidly— which always brings a big jump in imports, including raw materials, almost independent of exchange rates—while the European and Japanese economies were relatively sluggish, which held down their purchases of U.S. export goods.

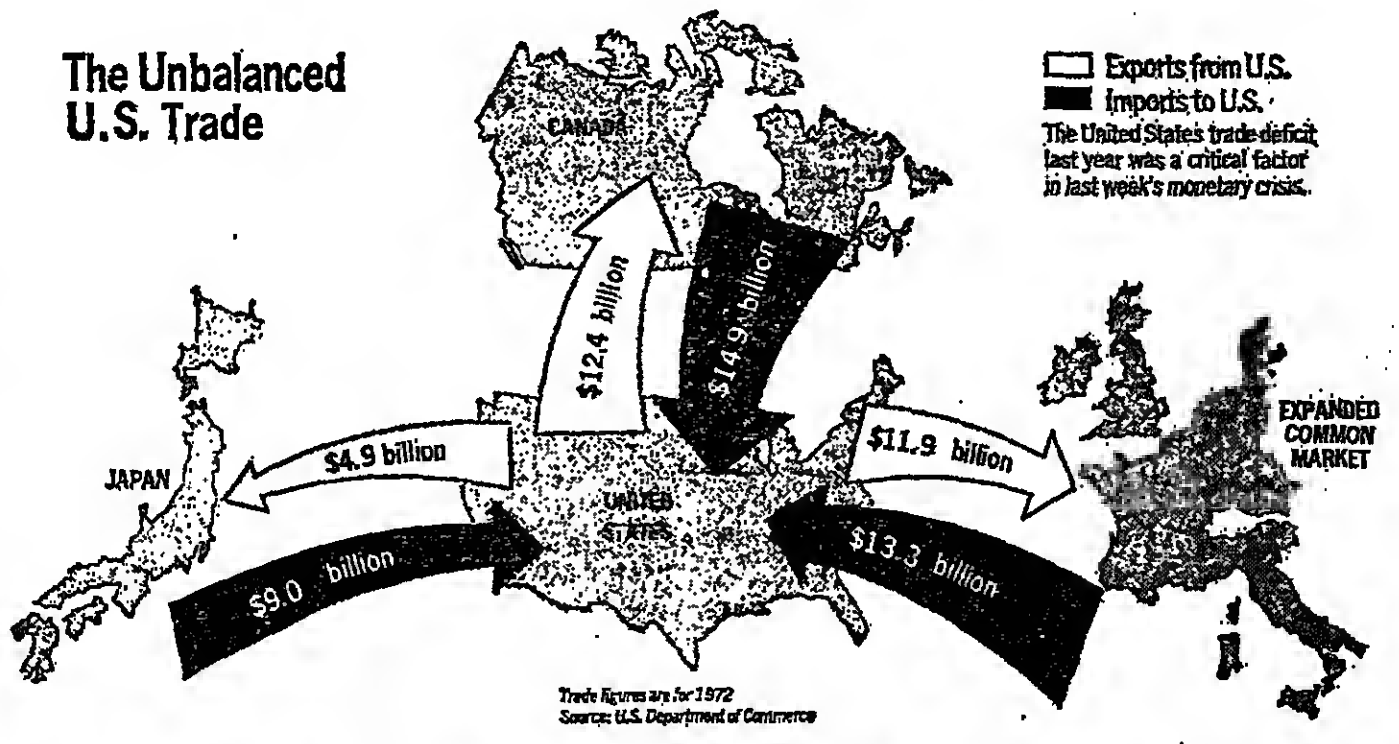
In any case, it was the revelation of the huge 1972 American trade deficit, which even the administration admitted was much worse than it had expected, that probably was the main factor leading to the latest crisis. Even though the first devaluation apparently had not worked—or had not yet worked—it seemed clear to holders of money that the dollar was still "overvalued" and, by one means or another, would have to be devalued again. They were right and they won their bet.

The deal, whose main elements were the devaluation of the dollar and the upward float of the yen—was reached in secret talks in various capitals involving Paul A. Volcker, the under secretary of the Treasury for monetary affairs, and finance ministers of the leading countries.

While the talks were going on the money was rushing in torrents, mainly into West Germany and Japan. Germany alone had to take in \$6 billion in 10 trading days to hold the old rate of the mark, and the marks "printed" to permit the purchase of dollars added greatly to that country's inflation problem.

Except in Japan, which was very reluctant to let the value

The Unbalanced U.S. Trade



of the yen rise and where the government of Premier Kakuei Tanaka has come in for strong criticism, the outcome of the latest crisis does not appear to have greatly distressed anyone.

West Europeans Suspect Nixon Is Carrying a Club

By Clyde H. Farnsworth

PARIS (NYT).—In the 18 months since the collapse of the Bretton Woods monetary system, the Nixon administration has been building a new international economic policy for the United States. Last week Western Europe caught a glimpse of some of the handiwork and didn't like it very much.

In the earlier days of the post-war era when the United States seemed to have an inexhaustible supply of resources, its policy was to spread the money around generously on the theory that everybody would be lifted by a rising tide of prosperity.

The days of generous giving are over. Now there is something closer to classical mercantilism as the United States embarks on a policy of unbending defense of its foreign economic interests.

Both the trade legislation the Nixon administration asked from Congress last week and the fresh devaluation of the dollar last Monday are part of this policy of trying to build up trade surpluses, wielding the threat of additional tariff protection at home if foreigners don't buy more American goods.

The legislation would provide for a lowering of tariff and non-tariff barriers so long as other countries reciprocate, but at the same time it would authorize the President to raise tariffs as a weapon to help American products gain "fair access" to foreign markets. Safeguards, presumably to protect U.S. industries damaged by sudden import competition.

"To get a policy of free trade we must always have protection in the background," said the chief of the international economic task force, Secretary of the Treasury George P. Shultz.

The United States will gain some trade advantage while the European countries have not had to take the politically difficult step of themselves revaluing their currencies upward.

After the devaluation of the dollar was announced, most of the nations of Western Europe made a concession to the United States when they decided not to devalue their currencies. They gave away some competitiveness by permitting American products to sell more cheaply in Europe, while their own prices will tend to rise in the United States.

Now the United States is saying that it wants further concessions through more liberal

several European capitals is whether this will be the procedure in future crises and, if so, whether the Common Market is destined to have any real meaning.

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When, in November, 1971, Mr. Volcker tried to come to a monetary agreement with the Common Market as a bloc, he became embroiled with its ministers' inability to reach a unanimous decision. Since all Common Market decisions have to be unanimous, there were no decisions.

The lesson was not lost on the Nixon administration: "If you have to deal with the Common Market, don't go where the power lies instead."

And so in the latest crisis Mr. Volcker saw the finance ministers in Bonn, Paris and London, and almost as an afterthought, went to Rome.

Mr. Volcker also saw the Japanese in Tokyo and, after the Japanese sent a representative to Bonn for talks with Mr. Volcker and the West German Economics Minister, Reinhold Schmidt, an agreement was reached and announced.

The smaller countries in the Common Market went along because they did not have much choice, but they were unhappy about it and made their feelings known. The Belgians, the Dutch, the Luxembourgers and the Danes all resented not having been brought into the consultations. The question being asked in

several European capitals is whether this will be the procedure in future crises and, if so, whether the Common Market is destined to have any real meaning.

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Sadat's Problems With the Students

We baked black bread, bread the color of battle,
And we ate black bread, bread the color of battle.
The people starved for the sake of the battle,
But where is the battle?

By Jim Hoagland

CAIRO (WP).—These lines from Fused Negrin's poem symbolize the overriding issues for many of the Egyptian students who have been running through the streets of Cairo's university districts to trade blows with riot policemen.

Several student demonstrators have quoted the lines, saying that the poem sums up both the immediate and the long-term significance of their protests, which fell quiet as last week ended and the government finally moved to open a dialogue with student groups.

Mr. Negrin, a leading Egyptian poet, was arrested in late December along with student political leaders in a pre-dawn raid. Student demands for the release of the 40 or so detainees set off violent clashes around Cairo's two big universities in January, and have provided the spark for the more recent battles.

But the student protests have been saying much more about the state of Egyptian society today, 5 1/2 years after the crushing defeat by Israel in the six-day war.

According to protesters, they have been repeatedly told by President Anwar Sadat's government to gear up for the battle for a "year of decision" and final victory. They and the rest of the nation have been asked to sacrifice for the battle.

But while they are trundled off to desert military camps after graduation, government bureaucrats continue to spend half-days in their offices, lavish receptions for official visitors are given and corruption continues.

No War Wish

The question "Where is the battle?" should not be taken as an indication that the student demonstrators want to fight a war against Israel with its overwhelming military superiority, some students caution.

"We do not know exactly what we want," conceded one youth, apparently a leader in the student movement. "We just know what we do not want, and it is this hypocrisy. We want the government to account to us honestly."

The frustrations of the students over the continuing inability of Mr. Sadat's government to end the Israeli occupation of the Sinai peninsula seem spread throughout Egyptian society.

It is apparently in part the fear that the students could act as a catalyst on other segments of the population that led Mr. Sadat to respond to their relatively mild demonstrations with a major show of force.

Mr. Sadat's apparent belief that he must be in a strong position domestically if he is ever to enter negotiations with Israel also tends to make him react more sharply.

The major concern, however, seems to combine to be that the student unrest will spark trouble from Egyptian workers, especially at the sprawling urban industrial area of Helwan, just south of Cairo.

It is accepted by radical student leaders here that if they can stir the workers into seeing "the contradictions" of Mr. Sadat's rule, they can bring down the government.

"Where do you think the students come from?" asked one demonstrator.

"Our families are the working class. Of course we have support from them and will get more."

While no accurate statistics are available, a major transformation does seem to have taken place in Egypt's higher-education system since King Farouk was deposed in 1952. Once the preserve of the noble and affluent, Egypt's institutions of higher learning today accommodate a quarter of a million students, many of them from peasant or laboring families.

System Assailed

But this rapid expansion has generated new frustrations which also lie beneath the surface of the disturbances. In their complaints, the students complain bitterly about the quality of education in the "factories" the attend.

The system is short of qualified teachers—in science and engineering the student-teacher ratio even in advanced classes often rises to 80 to 1—and geared to an economy that has been steadily crumbling since the war.

When went to Europe last summer and apparently came home struck down by an error by the generation gap of Egypt, also to traditional restrictions. Boys and girls do not attend classes together, even through secondary school, and most teaching is rote.

And at the end of the process most can anticipate only the army and jobs as civil servants in bloated bureaucracies. With shortages of teachers, agricultural experts and others plague rural Egypt, the graduates have learned that the quick way to promotion lies in taking staff positions in overworked ministries in Cairo.

The government has apparently taken much of the steam out of the demonstrations by having university professors and low-level political figures open a dialogue with the students. A decision to publicly charge or release the 200 students said to be held by the police would do even more to halt the immediate conflict.

"But all of this is a contrived problem," an Egyptian official observed. "Egypt's real problem is what comes next, with Israel, and until there is some answer we will all be restless."

Eurobonds

Perverse Devaluation Impact Is Laid to Distrust of Outcome

By Carl Gewirtz

PARIS, Feb. 18 (NYT)—It was a tough time for money managers last week. Nothing seemed to go quite right.

For one, there was the devaluation of the dollar, which some still insist should not have happened. Then there was a perverse reaction to the market: the dollar did not go to the new ceiling and dollar-denominated stocks and bonds, after an initial flurry, fell in value—the opposite of the 1971 experience. Similarly, there was no evident rush to get out of the currencies or securities of the currencies which, in effect, were revalued against the dollar.

To the contrary, West German bankers reported the demand for deutsche mark Eurobonds remained "unusually high," and stock prices in Germany and Japan did not suffer.

There were a number of explanations offered for why the markets failed to react in the expected fashion, and they all boiled down to distrust of the currency realignment can succeed in returning the international monetary system to the postwar norm.

One expert said the latest upheaval as a sign of the end of the so-called Bretton Woods system and the beginning of an era of floating exchange rates. He pointed out that the long-floating Canadian dollar and the seven-month experience with sterling's float have failed to bear out the dire predictions about the impact such incoherence would have on a nation's international trade.

The expectation of extensive floats causes a demand for assets in "strong" currencies—those expected to rise in value should they be allowed to float.

To another observer, a banker, the failure to match the devaluation

with a "compensating discipline" to dampen domestic U.S. demand, coupled with Treasury Secretary George Shultz's comment that "we have... undertaken no obligations... to intervene in foreign-exchange markets," meaning the dollar will remain nonconvertible, indicates that the monetary authorities have succumbed to the "optimum dream" of attempting to solve their monetary problems with a printing press.

"The pressures of the consumer society (more, more, more) are such that politicians, to stay in office, cannot resist them. The only way out," the banker says, "is through the absolute, physical limit which gold imposes on a nation's ability to keep the printing presses rolling."

The limitation is missing as long as the dollar remains nonconvertible, and while the political may come up with short-term remedies, he warns that they are nothing more than partial solutions leading to more inflation and, inevitably, to chaos.

Other experts question why the latest dollar devaluation should succeed where the previous one failed. They claim that the U.S. demand for imports is not very sensitive to price changes, and will remain strong despite price increases, while the demand for U.S. goods on world markets will not be largely affected by a decline in their relative costs because the demand is essentially focused on more or less exclusive items of high technology.

In addition, the enormous energy bill projected for the United States by the end of the decade leaves little hope for the achieving of a trade surplus.

The devaluation package has also thrown into question the future of the Eurobond market—the

Economic Indicators

WEEKLY COMPARISONS

	Latest Week	Prior Week	1972
Commodity Index....	142.4	138.5	112.2
*Currency in circ....	\$64,673,000	\$64,278,000	\$59,774,000
*Total Loans.....	\$96,293,000	\$95,285,000	\$94,041,000
Steel prod (tons)....	2,866,000	2,675,000	2,562,000
Auto production....	177,554	200,459	178,285
Daily oil prod (bbls)...	9,854,000	9,910,000	9,865,000
Freight car loadings....	484,225	528,541	457,313
*Elec. Pow. kWhr....	35,799,000	36,197,000	35,896,000
Business failures....	170	219	265

Statistics for commercial agricultural loans, carloadings, steel, oil, electric power and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

	Jan.	Prior Month	1972
Employed.....	82,535,000	82,739,000	80,579,000
Unemployed.....	4,366,000	4,487,000	5,055,000
Industrial production....	118.3	118.4	108.1
*Personal Income....	\$363,406,000	\$375,709,000	\$380,400,000
*Money supply.....	\$245,800,000	\$243,600,000	\$238,500,000
Consumer's Price Index....	127.3	128.9	123.1
Contractors' Contracts....	163	177	188
*Mfrs. Inventories....	\$187,181,000	\$166,371,000	\$161,655,000
*Exports.....	\$4,486,200	\$4,450,700	\$3,858,000
*Imports.....	\$5,629,400	\$5,927,500	\$4,126,400

Commodity index, based on 1967-100, and employment figures are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1967=100. Imports and exports are compiled by the Department of Commerce. Money supply is the F. W. Dodge Division, McGraw-Hill Information Systems Company.

R- Revised.

the result of Mr. Shultz's promise to "phase out the interest equalization tax (IET) and the controls of the Office of Foreign Direct Investment (OFDI)" at the latest by Dec. 31, 1974.

Both sets of controls were aimed at curbing the outflow of capital from the United States. The IET inhibits Americans from buying foreign stocks and bonds—which means foreign corpora-

tions look elsewhere for capital. The OFDI restricts the amount of money U.S. corporations may invest abroad—forcing them to finance their overseas activities outside the United States. Thus both sets of controls have acted to curb the growth of the Eurobond market.

At this point, the thinking in the banking community appears (Continued on page 9, col. 5.)

U.S. Devaluation Settles the Monetary Crisis
But, Dollars to Doughnuts, Another Is Coming

By Thomas E. Mullaney

NEW YORK, Feb. 18 (NYT)—The monetary crisis is over—until the next time. Despite the Nixon administration's obvious satisfaction with its accomplishment in imposing last week, the patient is still quite ill and almost certain to suffer a relapse.

Like seasonal hurricanes, the great upheaval that swept the world's currency markets during the first half of February subsided almost as suddenly as it developed, but only after having subjected a wide area of the globe to a significant amount of financial damage.

And, like meteorological storms, too, monetary crises such as this recent one can be expected to be followed by others within six months, a year or two years be- cause the atmosphere is still charged with a great deal of turbulence.

Gold's Price Surges

The only real question is the degree of intensity of the next one, its timing and whether it will be a dollar devaluation. The fact that the price of gold on the free market of Europe surged above \$73 an ounce after last week's currency actions reflected rather keenly the continuing nervousness and concern.

With severe inflation besetting them, Italy, Britain and France—and, even later, West Germany and Switzerland—may all feel a future attack on their currencies. But the next crisis is not likely to be so big and so dangerous as the recent storms because it will be a dollar devaluation, rather than a currency devaluation. Paul Schweitzer, head of the International Monetary Fund, perceptively pointed out that the point has now been reached where the dollar is actually an undervalued currency.

What the administration's ultimate devaluation goal is has not been disclosed. Since June, 1970, the dollar has been devalued by about 15 1/4 percent on a trade-weighted basis.

The devaluation dominated stock-market activity last week.

Heavy Turnover
On Tuesday morning, in its initial reaction to the devaluation, the market roared higher. At 10:30 a.m. that day, the Dow Industrials were ahead by 21 1/3 points. By the final bell, however, the first surge of foreign and institutional buying spent itself, the blue-chip average showed a net gain of slightly more than 5 points.

The turnover of 25.32 million shares ranked as the sixth heaviest in history for the New York Stock Exchange.

Then came Wednesday, when the original flow of euphoria gave way to the realization that major problems still remained in foreign trade and other areas. Thereupon, the Dow tumbled nearly 17 points, registering its biggest decline in 20 months.

By Friday, with foreign exchange markets becoming quieter, activity slowed markedly, so much so that the volume of 13.33 million shares was the lowest of this year.

Along Wall Street a sigh of relief went up.

The Dow closed on Friday at 979.23, which put its loss for the roller-coaster week at less than a point. Short-covering activity in anticipation of a three-day holiday helped to buoy prices Friday afternoon.

While most prices were slumping at midweek, gold stocks rose as beneficiaries of the currency turmoil.

Oil Stocks Weak

Before a rebound on Friday, international oil stocks showed substantial weakness. This followed reports that the Middle East producing nations might press companies for higher money demands because of the dollar devaluation.

Pan American World Airways edged up 1/2 to 9 3/8 last week on a turnover of 1,233,000 shares to top the active list. Its gain apparently signified some tentative "baggage hunting" by traders for a stock that finished the week less than a point above its 1972-73 low of 8 1/8.

CNA Financial, which reported higher earnings, added 3/8 to 16 5/8 on a volume of 1,195,900 shares.

Atlantic Richfield, the biggest point loser among the 20 most active issues, fell 1/8 to 7 1/8. Its 652,800 shares changed hands. This decline followed an appeal court move to reinstate a ban against building the proposed trans-Alaskan pipeline.

Gulf Oil, slipping 5/8 to 25 1/8, was a relatively small loser among the international oils. Exxon and Standard Oil of California fell 4 or more points for the week.

Texas Gulf added 1/3 to 24 1/8 after reporting higher 1972 earnings. It hit a 1972-73 high of 25 1/4 as turnover ran 796,200 shares.

Amex and Over-Counter

By Alexander R. Hammer

NEW YORK, Feb. 18 (NYT)—Concern about the potential effectiveness of the dollar devaluation caused prices to weaken last week on the American Stock Exchange and on the Over-the-Counter market after an initial show of strength.

The weaker tone of the market was pinpointed by the performance of the NASDAQ Over-the-Counter Industrial Index which closed on Friday at 123.41, down 0.87 from the previous Friday.

It was little different on the American Stock Exchange where the price index dropped 0.10 to end the week at 25.40.

Turnover on the Amex amounted to 17,516,000 shares compared with 15,531,000 the week before. A total of 63 blocks changed hands last week against 76 blocks in the preceding week.

Volume leader on the Amex was the warrants of Rapid American which gained 1/8 to 6 5/8 on a turnover of 1,773,000 shares. The company announced it would buy 7 million warrants at \$6.50 a share.

Most of the Canadian oil producers did poorly after the Canadian government said it plans to control the export of Canadian oil. Bon Valley lost 5/8 to 4 1/2; Ranger Oil slipped 1/2 to 2 7/8 and Doms 4 to 4 1/2.

In the counter market, Cordis Corp. was off 4 to 35 after announcing disappointing results for the six months ended Dec. 31, 1972.

A number of counter issues incurred losses of 3 points or more last week. These included Palski Furniture, Friendly Ice, Data General, Elhan Allen and Delux Corp.

Over-Counter Market

High	Low	Last	Change
Amex	25.40	25.40	-0.10
NYSE	123.41	123.41	-0.87
NASDAQ	123.41	123.41	-0.87
Over-the-Counter	123.41	123.41	-0.87
Amex	25.40	25.40	-0.10
NYSE	123.41	123.41	-0.87
NASDAQ	123.41	123.41	-0.87
Over-the-Counter	123.41	123.41	-0.87

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Domestic Bonds

Bonds	Sales in \$1,000	High	Low	Last	Net
Abercrombie 7 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 8 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 9 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 10 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 11 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 12 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 13 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 14 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 15 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 16 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4

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EUROBONDS

Bonds	Sales in \$1,000	High	Low	Last	Net
Abercrombie 7 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 8 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 9 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 10 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 11 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 12 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 13 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 14 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 15 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 16 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4

STRAIGHTS


Bonds	Sales in \$1,000	High	Low	Last	Net
Abercrombie 7 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 8 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 9 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 10 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 11 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 12 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 13 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 14 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 15 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 16 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4

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Bonds	Sales in \$1,000	High	Low	Last	Net
Abercrombie 7 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 8 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 9 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
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Abercrombie 14 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 15 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4
Abercrombie 16 1/2	24 104	104 1/4	104 1/4	104 1/4	104 1/4



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